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THE

# NATION'S BUSINESS

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## Are There Jobs Too Big to Fill?

By HENRY BRUERE, Vice-President, Metropolitan Life Insurance Company

## The Widening View of Distribution

By P. L. THOMSON, President, Association of National Advertisers

## Politics on the High Seas

By JOHN CALLAN O'LAUGHLIN

## The City Gets a Sixth of Your Rent

By LEWIS E. PIERSON, Chairman of the Board, Irving Bank-Columbia Trust Company

## No Great Need to Import Labor

By ALBERT JOHNSON, Chairman, the House Committee on Immigration

## The Illusion of Government Commissions

By GEORGE E. ROBERTS, Vice-President, National City Bank



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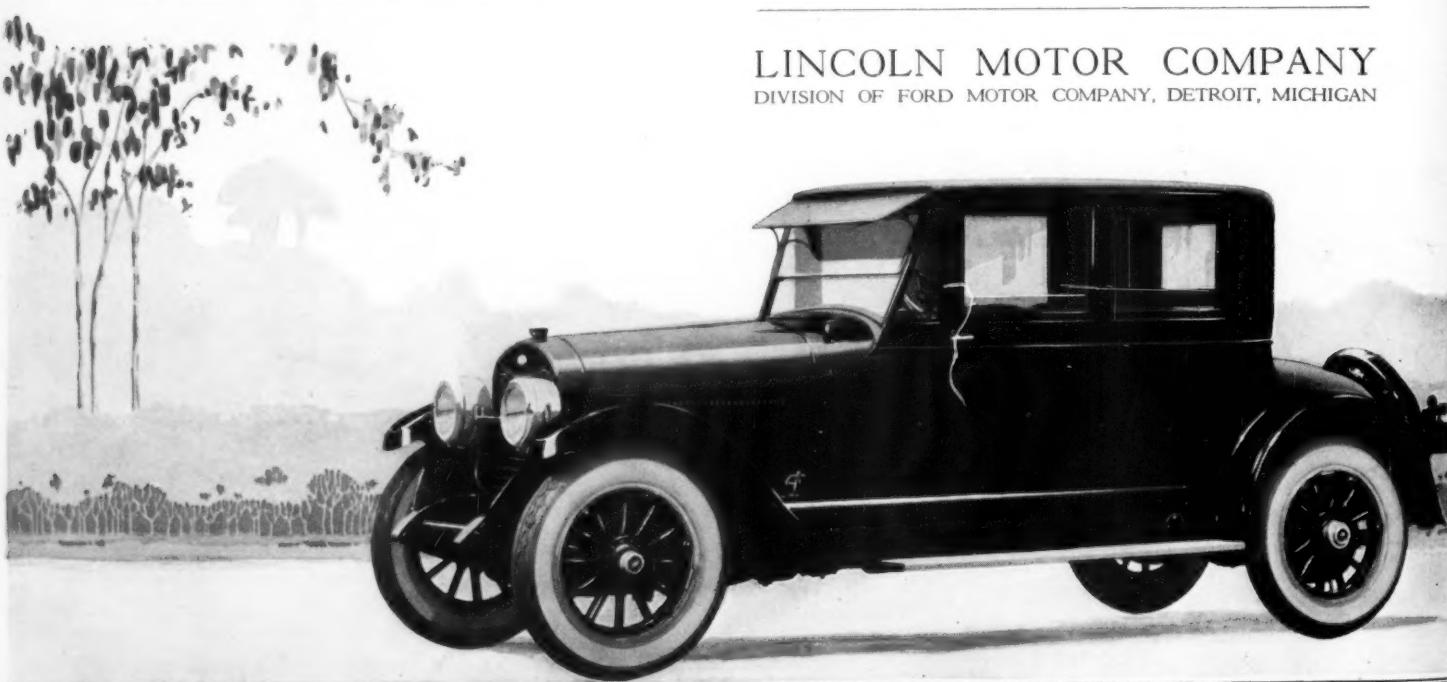
Striving to satisfy completely some deep-felt need of his fellow men, the architect has occasionally wedded beauty of line so intimately to useful function that his work stands a masterpiece of the builder's art.

These architectural achievements find their automotive counterpart in the Lincoln. In a comprehensive and fundamental way, this is a useful car. It dispatches every function of the automobile with a brilliance gratifying to the most exacting motorist.

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# The NATION'S BUSINESS

VOLUME 12, NUMBER 1



JANUARY, 1924

A Magazine for Business Men

## Is Any Man Big Enough for the Job?

**T**HREE aren't any men big enough to handle the jobs."

That is the argument that men—big men, too—are advancing against railroad consolidations.

"If," they say, "we should put the railways west of the Mississippi into four systems, there are not four men who could head them."

Railways—like all other businesses, big and little—require leadership. The American habit of doing things in business pretty generally, puts the main job up to the "Big Chief," whom we call a president. Of course, there are directors; but when they are good directors, their first concern is to find an executive who will relieve them of virtually all responsibility for issuing commands.

When directors of most big corporations really have to direct, look out for trouble. Active direction of affairs by directors as a rule means that things are in a bad way. The "Big Chief" is letting his job get away from him. He's got something to explain; and explanations are the preamble to reorganization, which is another way of saying that one more ex-president is about to join the exalted ranks of decorative chairmen or to step down and out.

A wise and highly esteemed railway executive said to me the other day that nothing was coming of consolidations talk, because the country didn't contain enough men who could measure up to the job of running a railway as big as most of the proposed nineteen systems to be made of the nearly two hundred Class 1 railroads and the legion of little roads.

"The job is too big for one man," another executive of a big system remarked in discussing the problems involved in remaking the railway-system map west of the Mississippi, where the commission tentatively proposed seven systems and Mr. Hale Holden, president of the Burlington, suggested four.

Judge Lovett, chairman of the board of the Union Pacific Railway, expressed the opinion at the hearing held by the commission in San Francisco, that the commission's seven systems would go far enough and that any increase in the size of the systems proposed "should be made with very great caution." He added, however, that "mere size should not be a hard

By HENRY BRUERE

Vice-President, *Metropolitan Life Insurance Company*

and fast rule or a controlling consideration."

I have not measured the commission's proposed consolidations in all respects, such as volume of traffic, number of employees, etc.; but Prof. W. Z. Ripley tells me that none of the systems recommended in his report to the Commerce Commission, on which the commission based its hearings, exceeds the size of the Pennsylvania or New York Central.

### Differences of Operation

**T**o STATE the case fully, let me refer again to Judge Lovett, whose remarks on railway consolidation command great respect. He regards as irrelevant comparison of the proposed western systems with the New York Central or the Pennsylvania. These two roads he points out, operate in relatively restricted territory. A thousand miles is their stretch; whereas three thousand miles would hardly measure the sweep of several of the commission's seven and all of Mr. Holden's four systems west of the Mississippi.

The great eastern roads named by Prof. Ripley are dense traffic roads. Their size, so to speak, is vertical. The western systems, on the other hand, would take on vastly greater horizontal dimensions.

On this point another competent witness, former Director-General Walker D. Hines, says that the greater skill is required to operate railways having the greater density of traffic. You will observe that testimony on the issue herein discussed does not precisely tend to leave the jury in a frame of mind

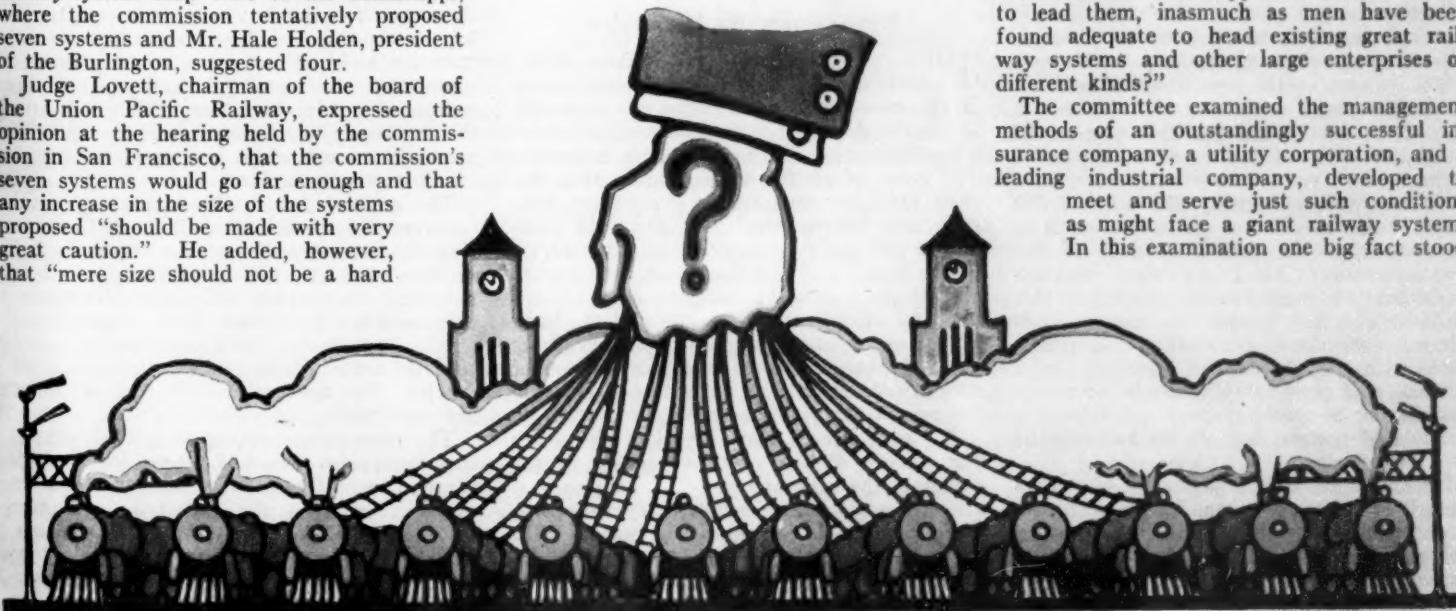
to resolve the issue without reflection. Let the jury reflect, if you please.

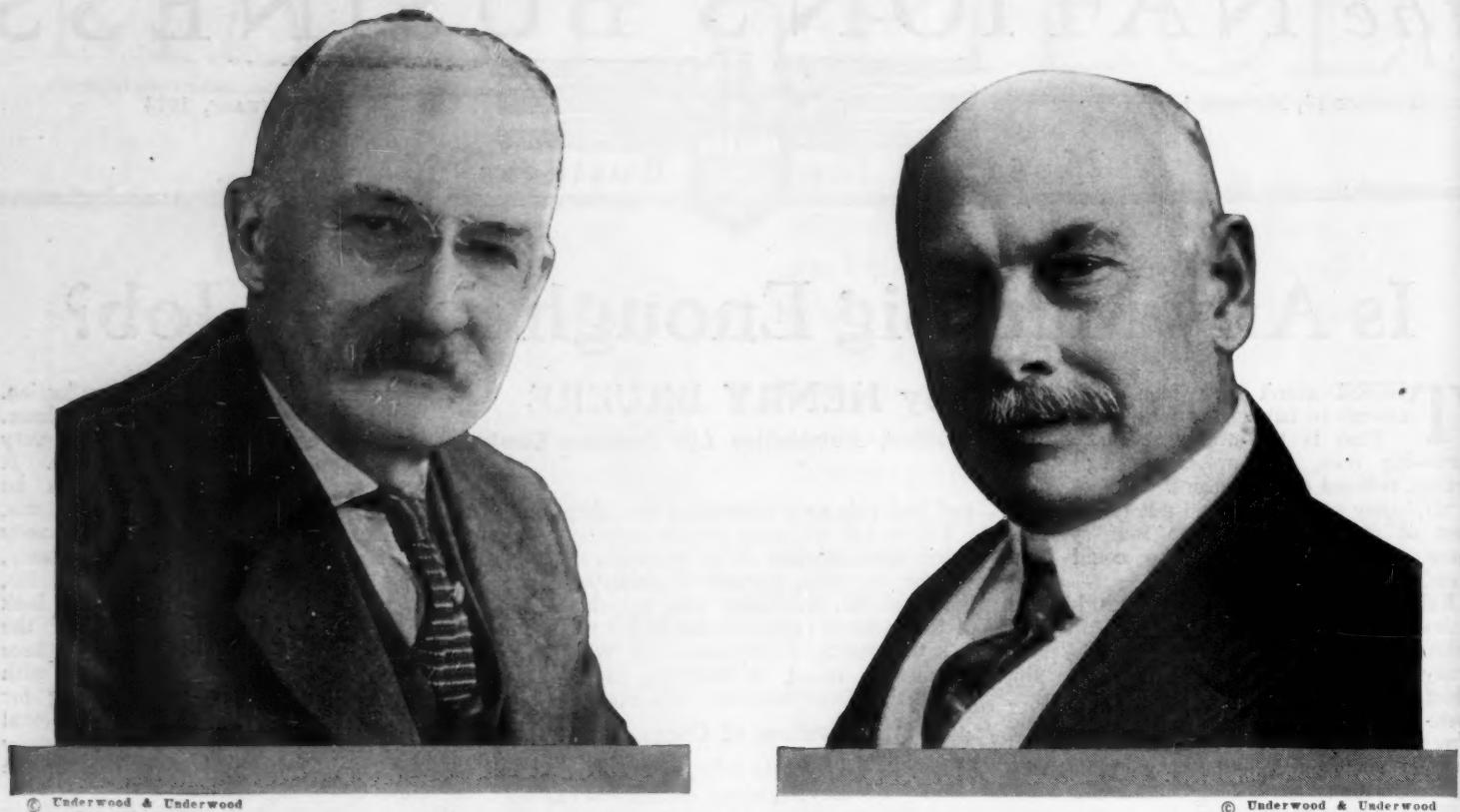
The small business makes a very sympathetic appeal to all of us. It is agreeable, for example, to be acquainted with one's fellow vice-presidents, and if one is a chief executive, personally to know one's operating officials. Everybody, including those of us in the rank and file, is not yet too democratic to wish to look up to somebody. The personality of the president, therefore, is of great importance to all organizations. It has much to do with the contentment men have in working for companies not too large to permit of personal contacts. This contentment and the loyalty that attaches to it are vital factors in the success of any organization.

But—we are still reflecting—few important railroads are small railroads. Almost all of them have grown to a size where no one individual can wield a universal personal influence. Even little railroads are not exclusively managed by presidents. Every road has an executive organization, and that organization is large or small, more or less complex and to a greater or less degree widely distributed, according to extent of territory covered, mileage, and the volume of business of the company it manages.

The average Class 1 railroad (a term which describes the two hundred leading railways of the country) is already a substantial, large-sized organization where management problems closely resemble those that would arise in the consolidated systems. The Sub-Committee on Consolidation of the U. S. Chamber's Transportation Committee recently deliberated on this very problem, and to them the question seemed: "Why should enlarged railway systems be unsuccessful because men are not supposed to be available to lead them, inasmuch as men have been found adequate to head existing great railway systems and other large enterprises of different kinds?"

The committee examined the management methods of an outstandingly successful insurance company, a utility corporation, and a leading industrial company, developed to meet and serve just such conditions as might face a giant railway system. In this examination one big fact stood





### They Hold Two of the World's Biggest Jobs.

H. B. Thayer (left), President of the American Telephone and Telegraph Company and Judge Elbert H. Gary, Chairman of the United States Steel Corporation. Mr. Thayer supervises the performances of the A. T. & T. Co., and when they do not meet expectations, he discovers the reason why and supplies corrective treatment. Judge Gary leads the conferences of the Steel Corporation board which determines the mode of operations for its constituent companies.

out. Each of these companies—the industrial, the utility and the insurance organization—has a definite and self-imposed public relations policy. They all want public confidence. The insurance company and the utility company, like the railroads, are supervised by government bodies. They not only must maintain good relations with the public at large, but with numerous official agencies charged with seeing to it that they conform to the specific requirements of special laws controlling their activities.

The big industrial company is so large that its size alone would make it the object of public interest, and so it elects to give most circumspect attention to public opinion.

This concern for the public sanction of what they do was perhaps the conspicuously common element in the policies of the companies studied. That is the fact which seems most significant of the new trend in big business. This social sense, for that is what it amounts to, is the indispensable element of the higher type of management demanded by the modern giant enterprise.

In the insurance company with some 26,000 employees this respect for public esteem is at the same time the principal cause of the company's success and the most effective instrument of management control. This particular company happens to have a president of exceptional personality, combining vision with iron executive capacity. As a personality, if personality were the necessary qualification, he could manage not merely a consolidated system, but all the railroads of the United States.

If genius it be, it is a genius for simplicity in handling things and men, for plain speech, for catholicity of opinion, for easy acquaintance with facts and for showing confidence in subordinates within the limit of the strict proprieties of good management. Difficult

subjects have a way of simplifying themselves as he discusses them, and this is because the various lines and currents of a big business for him all converge round one common principle, a principle itself so plain and understandable that it gives light for the big and little decisions that make up the web of life of a great commercial enterprise.

Fundamentally this principle is expressed in a simple slogan—"A Company Is Great Only as It Serves." To apply this principle to actual operations the chief executive of the insurance company has set up and keeps set up a tangible ideal of public service which the rank and file of the organization believe in because they find it good business as well as a gratifying sentiment.

#### Management by Principles

TO SAY that it is a good business is not merely a platitudinous justification of it. In this case health conservation is a large part of the ideal, and health conservation means a healthier state of things for life insurance. The point of all this is, of course, that this chief executive need not be everywhere himself; need not personally lay down the regulations that apply to every detail situation.

The broad general principle of his program and the program of his company is readily applied by subordinate executives and the body of the organization, because that principle is not a shibboleth, merely, but a description of a course of conduct and method of carrying on the routine affairs of the company.

In other words, this principle definites the picture of the executive policy in the minds of the rank and file; and because it is actually a working principle, they believe in it; they are able to speak convincingly of it to their clients, who in turn come to believe in it; and so it works as a master instrument in executive control. This illustration of one

of the methods of a nation-wide enterprise suggests how perhaps the right sort of vigorous leadership might greatly simplify the problems of a chief executive of a consolidated railway system. It would simplify the problem of dealing with state and federal regulating commissions. It would simplify the problem of dealing with shipping organizations and individual shippers. It would simplify the problem of dealing with communities. And this is of first importance—it would simplify the problem of dealing with employees.

How could one man supervise three thousand miles of railway? Of course, no one man would. There are division superintendents; there are general managers of districts; there are functional vice-presidents, attending to the big subdivisions of railroading; there are assistant executives of every sort to supplement the physical and mental resources of a chief executive. While it is true that a railway never sleeps, a chief executive must sleep; and while he does, the organization continues to function.

The greatest industrial corporation in the country—the United States Steel Corporation—is composed of eighteen big units and employs 215,000 persons. Each of these units has its complete independent corporate organization. Technically from a legal standpoint, they conduct their separate corporate activities with their individual complements of officers. But, administratively, their activities are restricted.

The controlling policies of all the subsidiary companies are laid down by the Finance Committee of the holding company which is in effect the executive committee of the Steel Corporation Board of Directors. The functioning executive of this committee is the chairman, who, as is well known, is the executive head of the entire Steel Corporation.

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organization. Questions of general policy laid down by the holding company for the constituent companies are manifold. An example of these was the recent decision to change the operating basis of the steel mills from twelve- to eight-hour shifts.

The subsidiary companies conduct all necessary departmental activities, but the general mode of their operations is governed by headquarters supervision.

Thus, monthly or more frequently, conferences are held at the office of the Steel Corporation, of all the presidents of the underlying companies. These are presided over by the chairman of the corporation. Such executive conferences are the means of exchanging views, harmonizing practice and eliciting information for general discussions.

While, as stated, each of the subsidiary companies has its complete quota of operating and administrative departments, these are in turn supervised and controlled by corresponding general departments of the Steel Corporation. The general sales and operating policies are regulated by the president of the corporation assisted by the vice-presidents; the comptroller is the supervisory executive of the auditors of the subsidiary companies and prescribes and enforces general accounting procedure; the law activities of the companies are supervised by the general solicitor of the corporation; the transportation activities by a general transportation officer; and the purchasing activities by a general purchasing agent, and so on. All these general officers are responsible, and report to, the chairman; and their action where necessary or when involving questions of major policy is subject to his approval.

#### Steel Companies Work as Unit

THE CHAIRMAN of the corporation is the principal public exponent of the corporation. He speaks for it. He guides and develops its public relations. The present chairman states that each of the presidents of the constituent companies is fully qualified to conduct the business of his respective company, yet they are definitely held under control in all general respects by the executive of the corporation. In other words, the Steel Corporation, with activities scattered all over the United States, with a wide diversity of industrial, political and technical problems to deal with, operates as a unit and not as a federation.

The executives of these units have initiative, yet they are supervised and governed when supervision and control help. Their practices are standardized where standardization means simplicity. They are left alone to work out their own salvation in matters where detail is more important than general principle. General principles are not neglected. They are preached, published and persevered in until they become the element, so to speak, in which the length and breadth of the organization lives and has its being. I rather imagine that Judge Gary would agree that the size of any possible consolidated railway system would not in itself be an obstacle to efficient operation and responsiveness of the system to local needs provided that:

1. The central controlling organization were strong and efficient and had the capacity to lead and combine.

2. There were established competent, functional organizations to erect and to maintain standards of operating and administrative practice throughout the system.

3. Local administrative organizations were so constituted as to have adequate initiative, under general policies laid down by the top organization, to meet local needs and were equipped to supply their individual operating

necessities, to make necessary operating and routine decisions and were headed by qualified men of first-class executive caliber.

A big railroad managed by one superman might crumble. Managed by a big leader with a complement of able executives free to think, to act and to grow, it might prosper as has this giant industrial corporation which we have been discussing. The Pennsylvania Railway has about 1480 officers for 225,000 employees. These officers include a president, seven general vice-presidents in charge of major functions for the entire system and four regional vice-presidents in charge of geographical subdivisions. Put all those intelligences under a single hat, and you would have something of a superman. They can act as a single intelligence.

The utility company, the third of the successful country-covering organizations looked into, gave most illustration of what might be the solution of the superman riddle of the bigger railways. To the American Telephone & Telegraph Company, familiarly known as the A. T. & T., organization is a matter of prime importance. The A. T. & T. is a controlling company. It maintains the corporate integrity of the twenty-six separate companies comprising the Bell System. Each of these is independently staffed. Each has its executives and full complement of officials.

The superman in the organization is not a single executive, but the entire central or parent company staff. The A. T. & T. is a thinking, investigating, counselling, guiding and controlling organization. But it assumes no responsibility for details of management of the component companies. Services such as manufacture of equipment and general purchasing are centrally performed, because all companies in the system practically have like needs in this respect. Accounting procedures, physical plant methods and other processes, constituting the routine of operations, are standardized by the central organization acting in council with the units of the entire enterprises. Financing is handled for the whole system by the central organization, because it would be absurd to permit the sister companies to compete with each other in the security market.

The budget is the keystone in the structure of the telephone company's control over the operations of its subsidiaries. The budget, plus the routine procedures, makes up the rules of the game which the parent company lays down for the constituent companies to play. The rules are framed in consultation and are based on facts of experience.

In applying them the operating company executives draw on the central organization for consultation and advice. This central organization is virtually a corps of the best experts obtainable on all phases of the telephone business. To them the subsidiary companies naturally come for help.

#### Assisting Chiefs Do Much

IN THE office of the chief executive of the A. T. & T. there is currently maintained for all companies a graphic chart showing the relation of operating revenue and expenses, with their corresponding forecasts, enabling all executives to know at once if performance does not match expectation and to find the reason why. The discovery of the reason may lead the parent company to lend to an organization which is falling behind, the help of a specialist to mend matters. It rarely leads to drastic intervention. The executives of local companies understand that their advancement depends upon their results, so neither orders nor "call downs" are necessary.

The headquarters staff is constantly study-

ing the operating results and problems of the local companies. It suggests but does not order improvements. It serves, too, as a clearing house for good, practical ideas between the companies.

Once a year a conference is held of the presidents of the local companies with the executive officers of the A. T. & T. Company. The conference lasts a week. The whole business of the system is talked over informally, but thoroughly. Outlines of policy for next year are developed on the basis of an exchange of views by a competent body of responsible men. Similar conferences are held with greater frequency by the heads of the different technical, functional staffs.

#### Central Direction Not Required

WITH regard to labor methods, a like policy of consultation and advice is pursued. There is a general company ideal. There is no central direction. The loyalty, interest and efficiency of the employees (there are 250,000 of them!) are developed by pursuing this ideal; by adopting where local conditions permit, like policies; by steadfast attention to that great asset in big company success, the intelligent cooperation of rank and file.

So much for the reflections to which earlier in the article we abandoned our jury. The Chamber's Committee on Consolidation of Railways, after considering what the companies studied have done, came to certain conclusions as to how the consolidated railways might answer the challenge to executive capacity. They summed it up in some such way as the following:

Distribute rather than centralize responsibility. Centralize rather than scatter planning. Have one policy in all important matters for the entire system, and leave its application in detail to competent local organizations.

Provide the means for obtaining facts, because facts aid powerfully in meeting executive responsibility and furnish the means of common thinking for an entire organization. In brief, they save time in correcting troubles that come from lack of information, and they induce cooperation.

Use the budget method for controlling expenditures and anticipating easily foreseeable requirements of expenditure and for forecasting probable intake, all with due regard to local as well as combined needs.

Develop a principle and method for guiding relations between the employer and the individual employee, as well as the body of employees, and by this means reduce friction (and executive distractions) and develop the most powerful of all means to promote public favor—the outspoken enthusiasm of men for their jobs.

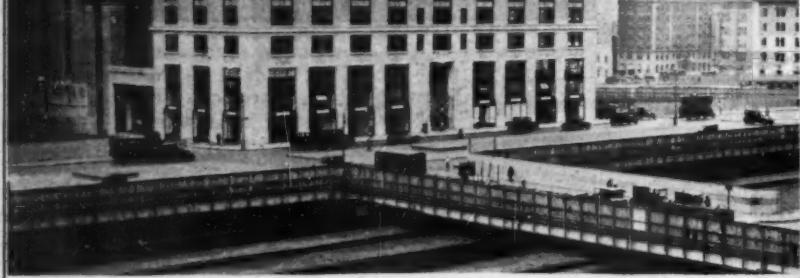
Establish the habit of cultivating good public relations in every locality, through diligent attention to community interests.

And then by way of saying everything in a sentence, they observed that *effective* railroad consolidation would involve an ideal of service to actuate the entire organization, keep it responsive to public need, prevent officialism and inspire loyalty throughout the rank and file. Under such principles and practice, the mere size of the system might take care of itself. The superman as chief executive would be so big that he would be everywhere at all times; and when he held a meeting with himself, it would be necessary to provide quite a hall to hold him.

To make the metaphor clear—the superman would be an efficient organization guided by a high policy of service, and using with skill the modern methods of scientific administration.



**All Built at Once**—In Kansas City and elsewhere construction companies are building for individual owners in groups.



**Over the Tracks**—In Uptown New York, the New York Central real estate development provides extensive erection of buildings over terminal yards.



**Eight - Dollar Rents**—In every state old street cars, as well as worn-out freight cars, are used to make homes.



**Stores that Pay No Rent**—On the East Side, New York City, vendors locate at the same spots the year round to hold prices low against upward pressure of taxes.



**Getting the Big Divisor**—Throughout the United States, high taxes have made necessity mother invention. This \$2,500,000 group of apartments on Long Island, like the other expedients pictured above, expresses an effort to keep rents down against the ever-pressing urge of high taxes.

# Two Months of Your Rent for Taxes

By LEWIS E. PIERSON

*Chairman of the Board, Irving Bank-Columbia Trust Co.*

WHEN two months' rent each year goes in city taxes, we cannot avoid the question: Can the modern city pay its own way?

That is the situation in New York City as shown by a careful study made by the Merchants' Association. I believe that a like situation, varying only in degree, holds good in many other communities.

High taxes inevitably help to make high rents and poor housing conditions, and a train of evils follows. At a recent hearing before a State Housing Commission in New York City a representative of the City Health Department made this assertion:

"There has been a large increase in the malnutrition rate since 1916. We found in a survey there were more people in single rooms than had ever before lived in a single room. That meant there was less air, less light and less sanitary conditions. When ten to twelve people live in one room, they sleep less. More money goes out for rent and less money for food."

If it is true that the cost of city government is a serious factor in the increased rentals and is bringing about the effects just described, then it is high time that the people of the United States took stock of their municipal governments to determine how far the cost of modern city government can be curtailed.

### Municipal Conveniences Raise Rates

IN THE United States, as a whole, the cost of city government has more than doubled in the ten years since 1913. This increase is due not so much to waste, to inefficiency or to rising labor costs, as it is to the fact that the modern American city is attempting to carry a burden far in excess of its proper resources.

Forty years ago the average American city was a city of horse-drawn vehicles and volunteer fire departments. Local wells and streams constituted the water supply. Traffic police were unknown. Today the modern city has not only put millions into paid police and fire departments, into elaborate water-supply systems and into extensive school systems, but it is engaged in various other enterprises, all perhaps designed to provide comforts and conveniences to the citizen, but all of which are being constantly reflected in rising taxes.

In New York, for instance, the city budget of 1913 was one hundred and ninety-two million dollars, which rose to three hundred and fifty-three million dollars in 1923, an increase of 83 per cent. The population during this same period increased only 17 per cent, so that the per capita expense rose from \$38.16 in 1913 to \$59.61 in 1923. The significant fact in these figures is that in the ten years just passed the expense of government has increased nearly five times as fast as the population.

The investigators took a number of characteristic parcels of real estate in various sections of the city, including, for instance, an office building in the business district, a row of East side tenements, a number of small private houses and some uptown elevator apartments.

The parcels selected for examination were carefully chosen in localities which had not been affected by any abnormal influences

such as new transportation facilities or changes in the character of the neighborhood.

In each instance a tabulation was made showing, for the year 1913 and the year 1922, the following facts: first, the respective taxes; second, all other expenses of maintaining these buildings; third, the rental income.

The investigation disclosed the following facts: First, it showed that the average of maintenance expense, including taxes, had increased 61 per cent. Second, it showed that taxes had increased 73 per cent. Third, it showed that rental income had increased 61 per cent.

A schedule was then prepared showing how taxes had increased with respect to rentals and what part of each month's rent paid by the tenant was taken from the landlord by the city for taxes.

Because this schedule shows at a glance how much taxes each rent-payer is paying each month and how this burden has increased during the past ten years, it may be well to set it forth in full:

| 1913         |                 |                        | 1922         |                 |                            |
|--------------|-----------------|------------------------|--------------|-----------------|----------------------------|
| Monthly rent | 16.2% for taxes | 1913, 61.27% for taxes | Monthly rent | 17.4% for taxes | Monthly increase for taxes |
| \$20         | \$3.24          | \$32.25                | \$5.61       | \$2.37          |                            |
| 30           | 4.86            | 48.38                  | 8.42         | 3.56            |                            |
| 40           | 6.48            | 64.50                  | 11.22        | 4.74            |                            |
| 50           | 8.10            | 80.63                  | 14.03        | 5.93            |                            |
| 100          | 16.20           | 161.27                 | 28.06        | 11.86           |                            |
| 125          | 20.25           | 201.59                 | 35.08        | 14.83           |                            |
| 150          | 24.30           | 241.89                 | 42.09        | 17.79           |                            |
| 200          | 32.40           | 322.52                 | 56.12        | 23.72           |                            |

Reference to this schedule will show, for example, that a family which paid \$20 rent in 1913, paid \$32.25 rent in 1922. Of the \$20 rent in 1913, \$3.24 a month went for taxes. In 1922 taxes consumed \$5.61 of the monthly rent of \$32.25.

In the case of the tenant who paid \$100 a month in 1913, his rent had been increased to \$161.27 in 1922; and his taxes had increased from \$16.20 a month in 1913 to \$28.06 in 1922.

### What New York Figures Show

TO SUM up the net result of the investigation, it disclosed the disturbing fact that all of the tenant's rent for two months of each year was absorbed in the payment of taxes.

In other words, the New York rent-payer paid five-sixths of his rent to his landlord and one-sixth of his rent for the expenses of his city government.

No further proof is needed that one of the serious factors in the housing problem is the cost of city government. Yet improper housing conditions are not the only evil which is resulting from the high cost of municipal government.

The city of New York, for instance, has borrowed so much money for its bridges, for its subways, for its hospitals, its streets and its ferries that it has almost reached its constitutional debt limit and is in a position where for some time it cannot borrow additional funds for other vitally needed facilities. To take a glaring example, there are 375,000 school children on part time or double sessions in New York's schools, and it is

estimated that approximately 160 million dollars is needed at once to provide every child with adequate school facilities.

Since these facilities cannot be provided by borrowing, they must be paid for out of increased taxes; and, as always, the burden of these increased taxes must fall upon the great masses of people who are now confronted with rents greater than their income warrants.

However uncomfortable the truth may be, the time has come to face it. We can no longer proceed on the assumption that it is safe to disregard waste and inefficiency in our city governments. We can no longer act on the theory that if any public improvement is desirable, it should be secured without thought of the cost.

It has become increasingly clear that our municipalities are attempting to do too much. They are endeavoring to supply to the citizen conveniences for which the citizen is not prepared to pay. They have burdened themselves with huge debts in order to supply themselves with modern facilities. They have steadily extended their functions until today our cities are spending money on activities which fifty years ago were solely the responsibility of private enterprise. They are now raising by taxation from their citizens more than the citizen can pay without depriving his family of the necessities of life.

### People Must Realize Condition

THE GREAT safe-guard of the United States is the fact that as a whole our people are intelligent. Once it becomes clear to the people of our cities that their governments are exacting too much from them, once the rent-payer understands that expensive city government is taking from him money which is needed to feed and clothe his family, there will be a sharp change in the manner in which our city governments are administered.

So long as the voter is indifferent to public expense, the politicians will give the public anything it wants irrespective of the cost. Whatever may be said of the politician, however, he is instantly responsive to public sentiment; and once prudent and thrifty government becomes popular, this is the sort of government the politician will supply.

In every city in the country there are public-spirited bodies, chambers of commerce, merchants' associations, luncheon clubs and tax-payers' associations, which are in a position to assemble the facts and place them before the public. It is too much to expect that the public, burdened with its own affairs, can be interested in the detail of municipal administration.

If, however, the civic and commercial associations throughout the country will put before the people of our cities in concrete form and simple language such facts as I have instanced, if they will clearly demonstrate what part of the rent-payer's money goes to maintain his government and show him that he cannot have good schools for his children or low rents for his family if he permits his city government to spend too much money on less essential matters, it should be possible to change the whole atmosphere of municipal administration and place municipal affairs on a sounder and safer basis.

# Politics on the High Seas

By JOHN CALLAN O'LAUGHLIN

*Formerly Assistant to the Chairman, United States Shipping Board*

THE AMERICAN people in the past seven years have spent \$3,538,543,318 in constructing and maintaining a merchant marine. This is about quadruple the federal public debt prior to the great war and about one-sixth of that debt at the present time.

What have the people gained by this colossal expenditure? What will they get from it in the future? And—this is of master moment—can and will government ownership and operation be of value to American national interests?

The merchant marine was born of a vital need—that of national existence jeopardized by the greatest war the world has ever known. It was created in haste, and is a monumental proof of the old adage that haste makes waste. Wooden ships built of trees "in which the birds are singing," to quote the derisive phrase of General Goethals, vessels that were to constitute a bridge across which American troops could march to Europe, were found to be menaces to navigation and to sound operation; and 237 of them were sold for scrap. Of the steel ships constructed there remain 1,346 and of these 967 are laid up and steadily deteriorating. Thus, the fleet actually in operation or available for instant service comprises 377 vessels.

A conservative estimate would place the number of first-class ships capable of meeting present world competition at around 500. Counting ship yards, offices, materials, organization, etc., the fleet probably is worth today \$230,000,000, or, roughly, one-sixteenth of its entire cost. To maintain it, the public is spending annually \$42,000,000, and this does not take into account capital charges, including interest, and depreciation expense.

It is unnecessary for the purpose of this article to dwell upon the gross extravagance and waste which characterized the construction of the fleet. When I took office in the Shipping Board two years ago, I expected such a condition; but I found it to be even beyond the picture I had imagined. As bad as the past extravagance had been, there was promise of its continuance unless drastic reorganization was immediately inaugurated. A great deal along this line was done under Chairmen Lasker and Farley toward developing such efficiency as is possible under government operation.

## The Snags in Ship Channels

UNFORTUNATELY, experience shows that government operation is accompanied by so many difficulties and is so lacking in essential elasticity as to make it evident that the American people cannot expect to have a profit-making, government-owned and operated fleet.

Because shipping is a highly technical business, technically trained men and technically trained staffs must concentrate all their thought and energy upon the daily work they do. The operation of ships calls for temperament and experience in personnel entirely different from that necessary for liquidation, construction

HERE is a trained observer who sat in next to the Chief at one of our greatest tests of Government in business. He watched it flounder even under the guidance of skilled executives from private life.

He came from that experience thoroughly convinced that Government can't run a business; that no industry can thrive where politicians can constantly interfere, where shareholders insist on filling jobs with friends and then finding fault.

And that's only one reason why Government can't run a business. The primary reason is that the founders of this Government didn't build it to work that way.

—The Editor.

or almost any other form of business management. A good shipping concern comprises the talents essential in the operation of an industrial organization. It requires the best of engineering talent for the physical care of properties.

For the solicitation of business it requires intimate knowledge of all forms of production, both raw and manufactured. It requires constant knowledge of world markets. An earthquake in Japan affects the shipping business in Europe, a drought in India, the Argentine or Australia affects the shipping business on the North Atlantic, strained relations among the small states of Europe affect the shipping business on the North Pacific, and so on.

## Labor Under Constant Criticism

HOW FAR could a private shipping concern go if its shareholders were constantly criticising the management, investigating its conduct, urging the allocation of ships to incompetent agents, and forcing it to employ men and women for whom it had no need? And, yet, that is the position of the Shipping Board. There is not a session of Congress—and Congress represents the shareholders—which fails to bring forth an investigation.

Because it affects their reputation and their livelihood, this turns the attention of operators of the fleet from their exacting duties and prevents them from keeping in touch with the conditions they must know and cope with. So long as there is a government fleet, just so long is this state of affairs sure to continue.

We have the spectacle of a United States Senator writing to the Shipping Board and asking for an invitation for his wife and himself as guests on the trial trip of the *Leviathan* and when advised that his request, so far as his wife was concerned, could not be granted, denouncing the Shipping Board for the expense incurred in reconditioning the steamer.

Another senator wrote to the Shipping Board expressing his gratification at its wisdom in putting the *Leviathan* in condi-

tion for service. He went on the trial trip and, as an excuse for his action, explained publicly that his purpose was to act as a watchdog of the Treasury. A member of Congress arose on the floor of the House and went into details to show the extravagance of the board in employing too large a clerical force, and this same congressman applied to the board a day or two later for an appointment. Certain senators and congressmen have brought pressure to induce the payment of claims, assignment of contracts for supplies to firms not in good repute, employment of untrained and even inefficient officers and clerks; and they have not hesitated to request minimum fares for passage on fast liners.

There has been no corruption in what they have done, but constituents have urged action, and without always investigating the merits of the matter they have made urgent representations.

It is the price of their jobs. And yet there have been cases where senators and congressmen who failed to obtain what they sought have punished the board by public criticism.

I refer to these matters to show the handicaps under which the board operates. Human nature will be the same a year from now or ten years from now as it is today, and if the Government should continue to own the fleet, the board or department which operates it will experience the same pressure as has been applied in the past and is being applied at the present time.

The board, of course, can resist this pressure, but at the price of votes for essential appropriations which it advocates.

Besides the cost and turmoil involved through apprehension of adverse governmental action there is constant uncertainty among employees of the board as to what Congress may do with the Fleet.

At the present session, for example, all kinds of bills have been or will be introduced for reforms in the board and even for its abolition. The board itself has several plans in connection with its continuance.

In short, there is no definiteness, no certainty, a disposition to accept things as they are, or as they come, and to do the best that is possible under all the circumstances; and, after all, Uncle Sam pays the bills!

## Not Intended to Compete

THE SHIPPING BOARD was created in 1916 for the purpose of investigating, regulating and judging the conditions under which American-flag ships were to be operated. At the same time, the board was granted a revolving fund of \$50,000,000 to be apportioned as it saw fit among private companies or corporations created under the act for the construction of such types of ships as were necessary and which private capital could not be induced to build.

The Jones act of 1920 changed the duties of the board and among other things turned over the properties from the Emer-

gency Fleet Corporation to the Shipping Board. This, with the thousands and thousands of claims and counter claims, placed a burden upon the board beyond the realm of anything theretofore attempted by any other body. No department, commission or individual had ever been called upon to liquidate, operate and regulate and judge such a gigantic industry without any previous training or understanding of the problems involved.

In view of all the circumstances, it is to the credit of the board that it has done so much. It has disposed of practically all of the surplus property, including millions of dollars' worth of ship-building supplies, of almost every kind of manufactured product from cotton and linen goods to steel plates, of ships, ship yards, dry docks, and even houses and lands.

A balance sheet has been taken of the assets and liabilities, and most of the claims have been settled at a total average cost of less than 25 cents on the dollar.

It is apparent that the great responsibility resting upon the board must be divided, and the administrative separated completely

from the regulatory duties. The board is not equipped by technical knowledge or training for the operation of a fleet. It is in the same position as lawyers and

others serving on the Interstate Commerce Commission, who know nothing of railroad operation.

And it should have the same relation to shipping as the Interstate Commerce Commission has to rail-

roads. It should investigate all matters of shipping as required in the Merchant Marine Act of 1920; such, for instance, as discriminations, rebates, combinations, etc., by foreign shipping companies. It should investigate the possibilities of world markets and urge upon Congress and the people the need of proper types of vessels for particular services. It should examine carefully into the subject of proper trade routes. It should make a thorough study, in conjunction with the Navy Department, of the kind of vessels which would make the best auxiliaries in time of emergency. There is, in fact, plenty of valuable work for the board to do.

The operating problem is one purely of executive ability and direction, and, in the view of Chairman Farley, should be vested in a corporation subject to all the laws, rules and regulations under which private enterprise operates. It should be suable and able to sue in the proper courts. It should be flexible enough to meet the requirements of all the every-day business. The entire responsibility of op-

erations. Directions of this character by Congress and subsequent appropriations, if losses continue, would enable employees to realize the reward of efficiency and to refute the oft-repeated statement

on the part of shippers when asked for freight that they are fearful of changing from old-established lines because of the prospect of the abolition of the board. In all the corporations, voting control and responsibility should be placed upon one man so

that there could be no division of responsibility and no excuse.

This would leave the Shipping Board in a position to treat government-owned ships, so far as regulation and judicial duties are concerned, in exactly the same manner as it treats private American-flag ships; and should there be a conflict, the board, of course, should give the advantage to the private operator. Such a plan would lead to the goal which it is desirable to reach—the transfer of the fleet to private ownership and operation. It was this plan which the British Government followed with remarkable success in connection with the Suez Canal, and later with the Anglo-Persian Oil Company.

Besides the necessity of maintaining the fleet, and preserving the routes which have been established, the board must safeguard the property owned by the Government, develop passenger lines, which are the axes of a cargo fleet, and maintain contracts which it has in all parts of the world. But, in spite of all that has been accomplished, no matter how long the commissioners serve or who may be appointed as their successors, the dead hand of government will continue to throttle this great industry.

The course of the Farley Corporation Plan referred to above is a striking example of the truth of this assertion. It cannot be adopted because the Attorney General says it is not legal. Thus Congress will have to consider and act upon it; and what Congress will do, how it will frame the bill, what provisions that bill will contain—these are questions which Congress cannot now answer. And what is true of the situation of this plan will be the situation of every other basic plan submitted.

Business man, how would you like to be at the mercy of your stockholders as the Shipping Board is at the mercy of Congress?

All the board can do, all it is trying to do is to sell ships to responsible parties who will buy and keep them in operation and maintain routes regarded as essential for American trade. But buyers worth while are scarce, and in the meantime there is the melancholy spectacle of a huge fleet slowly rotting in our rivers.

If the American flag is to be maintained on the high seas, there must be private ownership and private operation!



eration should rest upon the shoulders of one man; otherwise complete loyalty cannot and will not be obtained from the employees.

Furthermore, if government operation is to continue, Congress should state definitely that the American flag to the extent of four or five millions tons register should be maintained in the foreign trade for a period of ten years.

This could best be done probably by the formation of subsidiary corporations and along the lines of the recent incorporation of the Commonwealth Shipping Company made by the Australian Government; and provision should be made for the service of business men and bankers upon the boards of



ONE fine May morning in Malaga, a Yankee salesman, fresh from the States, called at our Consulate. "I'm over here to sell cash registers," he explained, "and would like some introductions to local merchants."

"That's one of the best things I do," agreed the Consul, and soon the salesman was on his way around this ancient town of almonds, pretty girls and proud, polite old Hidalgos. On one of these latter, a particularly pompous old personage, he paid his first visit. He had a sample machine with him to show how it worked. Through his interpreter he recited an excellent, convincing sales talk. Plainly, the merchant was interested—very much so. Then, suddenly, something snapped.

To save his soul the Yankee couldn't see why, but very plainly his welcome was worn plumb out. Not another word would the Spaniard hear. In fact, he actually showed the American the door, and said he didn't want any cash register, even as a gift.

"But what did you say to him just before he blew up?" asked the Consul, to whom the salesman later told his troubles.

"Nothing to insult him! In my sales talk there's a line, 'How do you know your clerks are honest?' At that, up in the air he went, and out went I—out among the other burros and nut peddlers."

"So now it comes out," chuckled the Consul. "Latin pride. It was a bad break to

# Spain and Italy Your Competitors and Customers

By FREDERICK SIMPICH

trade battle, urging that his people sell more to Latin America. He formally opened the "Spanish Overseas Congress of Commerce" at Barcelona, where Spaniards from the new and old world were assembled to talk business.

Though separated by the sea, he said, all Spaniards are Spanish at heart. Five million Spaniards live on the American side of the Atlantic, it has been pointed out; yet to date Spain has failed to make maximum use of these family, cultural, religious and historical ties to profit commercially. Spurred now by keener competition—wherein California and Florida oranges and lemons play no small part—Spain is making a hard drive for more export trade, especially in farm and orchard products.

One stride in this effort was the calling of this recent overseas trade congress, in which business men from all over Latin America participated and made trade trips to Madrid, Barcelona and Seville. One result was to start a new Spanish steamship line to South America. To make this line pay, however, critics say Spain will have to buy more products of Latin America—otherwise cargo is insufficient.

### Holding the War Lead

THE WAR gave a great impetus to Spanish trade. Uncle Sam's army paid huge sums to Spain for all sorts of supplies. So did France and England. Since then Spain's hope has been to hold this position as an important European industrial center. To this end high import tariffs exist, and the Government aids industry by giving credits.

Yet the new tariff of February 12, 1922, is so high as practically to isolate Spain economically. Wages and labor costs are away up. Living is frightfully high, for an old Mediterranean country. Production—which the new tariff was designed to help—is now hampered by the cost of importing foreign raw materials, plus high railroad freights.

Her pre-war export trade was large in food-stuffs, such as olive oil, oranges, lemons, almonds and other nuts. Any big Yankee candy-maker will tell you that practically all the almond bars and almond paste sold here are made from Spanish and Italian almonds. In fact, the few almonds grown here, which represent only a small percentage of what we eat, mostly come from one region in California. Iron, lead and copper ores were also much exported before the war, but the aim now is to use more of these at home. Time was when Spanish wines were sold everywhere.

When we went dry, cries of Spanish pain were heard across the Atlantic. Our 18th Amendment is more unpopular in Spain than it is here! Prohibition laws in Norway and elsewhere have also hurt the wine trade. Against Norway, Spain re-

**WHAT** your competitor across the street is doing interests you every minute.

**Look farther and you will find you have an interest in your competitors and your customers across the seas.**

own real needs only after a rough shaking up.

As a competitor of ours, Spain has lately shown new speed. Even King Alfonso has thrown his royal hat into the ring of world

taliated by barring Norwegian codfish and other products, and is so making Norway give certain concessions. Our going dry provoked Spain to abrogate her commercial treaty with us. She would probably try the same tactics with us as with Norway, were it not that we buy so much from her, and have no bargaining tariff.

You who know Europe recall when Spanish oranges, lemons, and nuts were on the fruit-stands of every big city over there. Not now. Europe can't afford them. Today Great Britain is her best buyer of food—and ores.

About two years ago certain French wine firms bought up all Spanish wine in sight, stored it, then got a high import duty put on Spanish wines. This enriched the French, hurt the Spaniards, and started a tariff war.

It's become epidemic, this tariff war germ. Now Spain is in controversy with Italy, Belgium and Norway, and is sparring with Uncle Sam. Only the British seem to get a really favorable tariff hearing in Spanish markets. Sometimes one hears it whispered that the British are behind the move to abrogate existing commercial treaties. Spain denounced her trade treaty with us a year ago; it was therefore, by its terms, due to expire 12 months later; but the new Dictator extended it 6 months.

#### Our Favored Nation Standing

UNDER it, for the present, we still get most-favored-nation tariff treatment; we shall hardly enjoy this, under any new treaty, because most Spaniards say their trade with us is unprofitable because they buy from us three times as much as they sell us. Though with government aid the Spanish, like the British, are trying to grow their own, it is plain they must still buy raw cotton largely from us; today we sell them 85 per cent of their cotton imports.

In farm implements and machinery imports our wares also lead. In machine tools and general machinery British and French competition hit us hard; the low franc gives the French low production costs and the lead in Spanish and Italian markets. In railway trucks, bumpers, airbrakes, automobiles, bicycles, motorcycles, typewriters, adding machines, scales and balances, cash registers and telephone apparatus we lead; 20 per cent of Spanish tire imports, 20 per cent of lumber and 85 per cent of staves come from us. A

prejudice against all canned goods and a prohibition against importing cereals shut us out of such lines. We sell Spain much tobacco, fertilizers and petroleum; but in this latter item the Dutch Shell out-trades us.

Spain has set up a credit bank for loans to industry. Ten private firms got help last year. Cash aid also went to the coal industry, to three subsidized steamer lines, plus an enormous sum to help run the railways and buy engines and cars. Due to government partiality in awarding contracts and to the law of May 7, 1917, for protecting national industries, the Maquinista Terrestre y Maritima at Barcelona and Babcock and Wilcox of Bilboa (British), got the contracts for all new locomotives. The first concern has orders for 65 new engines, and the latter 16, with other bids pending.

German competition in Spain has declined fast since the Ruhr was occupied—which is as the French planned. French imports increase, and Germany's former sale of musical instruments, printing presses, farm machinery, railway



equipment, also of iron, steel, aluminum, paper and pulp is falling off.

Krupp's have a contract—participated in by French interests—to sell Spain locomotive wheels, piston rings, etc.; but this is held up by troubles in Essen. The British send coal at the rate of 1,500,000 tons a year to Spain, who is poor in fuel. Lately, our British competitors have also gained much in their sale of textiles, tin plate, sewing machines, textile machinery, motor busses, solid rubber tires, furnaces, chemicals, linen and woolen fabrics and carpets.

Steel plates are sold by Vickers, Brown and Armstrong, to the Spanish Government's naval construction plants. British influence in Spain is enormous—partly because the King married into the British royal family. Also, British subjects hold heavy investments in Spanish mines, particularly in the Rio Tinto copper mines, and the Bilbao iron mines of the North.

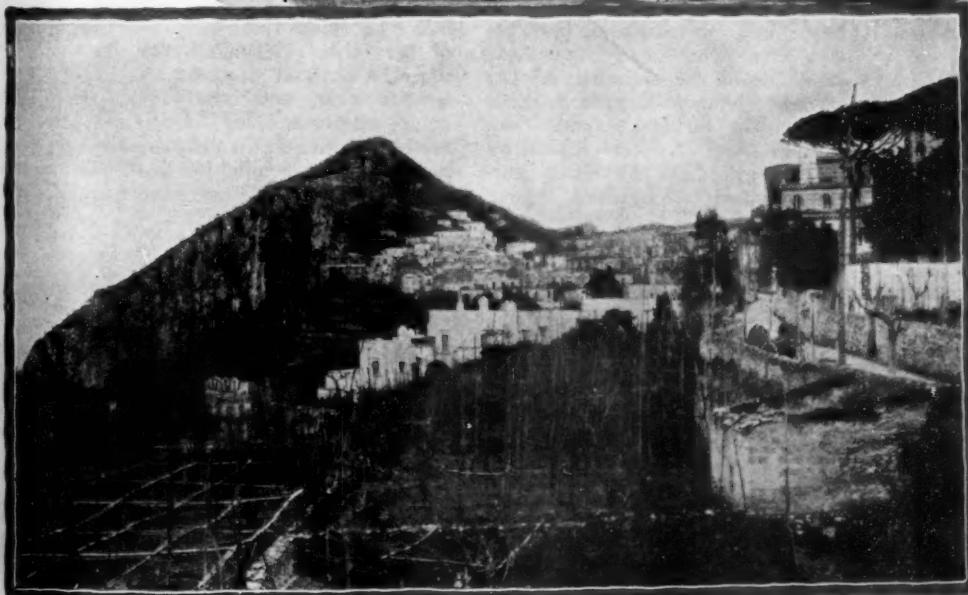
Spain regards us as her keenest rival in South America. Lately she has begun to set up Spanish chambers of commerce to fight us in that field. Also, a Spanish bank has been established in New York, to finance trade with Latin America. We don't fear Spanish competition in manufactured things; but in food products, what from national tastes and sentimental reasons, it is likely Spain will continue to outsell us in South America.

There are two sides to this tariff discrimination. Not all Spaniards favor treating Uncle Sam rough. In a Senate speech a prominent member, Senator Sotomayor, said: "Olive oil imported into the U. S. A. pays about 48 cents a gallon.

#### New Treaty Question

IF WE do not accept the present proposed new treaty, then our oil shipped to America will have to pay 50 per cent increased duty, or about \$8.77 a case, which will shut us out of that market. I urge that the Government take this under advisement, and also the question of importing tin plate from America."

Primo de Rivera's new government starts well. Right merrily the ax falls



on useless necks. Drones and politicians give way to the promotion of able, experienced civil service men. For example, the Acting Minister of Finance is now a man who for 25 years was an underling, supplying the brains and technical knowledge to such political appointees as held this job. Money is already being saved, in spite of the Moroccan campaign costs.

Spanish business supports the new military government, which will pass the reins of control back to civilians as soon as it's safe. Spain, however, lacks a politically-minded class. There is no group, like the Italian Fascisti, capable of running things without help from professional politicians.

Most picturesque in Spain's new drive for South American trade is her plan to start a Zeppelin line from Seville to Buenos Aires. It will carry mail, parcel post and passengers, and will be subsidized.

As Spain is vexed since we went dry, so Italy's sunny smile breaks into a scowl when immigration quotas are mentioned. With her labor surplus, emigration is necessary. Our percentage restrictions have started Italian emigrants moving in other directions. In pre-war days about 500,000 a year came here; in 1922, our quota laws cut this to 244,000. More and more now, Italian workers are going to France, Belgium and the Argentine. In the first three months of 1923, 87,000 left Italy, of whom only 7,000 came here.

Skipping all history of the past year, even the dramatic rise of Mussolini and the thorough government house-cleaning done by his black-shirted Fascisti, and looking only at the result on Italian trade, it can be said this coup was a good job.

As with Rivera's clean-up in Spain, a shower of heads fell in Italy—then a grand round-up of tax dodgers. One million three hundred fifteen thousand farmers were put on the income-tax rolls who'd paid none before. About 100,000 government workers, hitherto exempt, now "come across." Ten of the 13 direct taxes now levied are being repealed, leaving only taxes on real estate, personal property and the income tax. A new sales tax takes the place of four old ones. Interest on all foreign loans, when approved by the Finance Ministry, is now exempt from tax—making foreign investments in Italy more attractive.

Lately, to develop hydro-electric power, Americans sought to make substantial loans; the British underbid us; and Lon-

don is furnishing the money. A share of the equipment, however, is to be bought here, because certain British and American electric interests are joined to avoid competition, and so can split this business.

Italy needs much capital to carry out Mussolini's plan to put railways, telephones and other public utilities back into private hands. Now, I hear, a European investment company is afoot in this country to finance undertakings in Europe. As regards Italy, it is planned to sell Italian industrial bonds and shares to Italians living in the United States.

To cut her budget is now Italy's big ambition. In the last quarter, they actually hacked 181,000,000 lire off the Cabinet estimates.

against hard competition, and got the contract for improving the port at Palermo. We are also bidding, it is said, on a job to improve passenger accommodations at the port of Naples. Incidentally, Italy seeks to win some of the Atlantic travel that now exists from channel ports to America, and has put on two new liners, "Conte Rosso" and "Giulio Caesar," which cut the Naples-New York run to 9 days and offer good service.

Higher prices paid us for cotton have raised textile prices in Italy, but that trade is prosperous. French competition is hurting the Italian woolen goods trade with the exception of knit goods, with which line Italy has been able to invade even the Paris market.

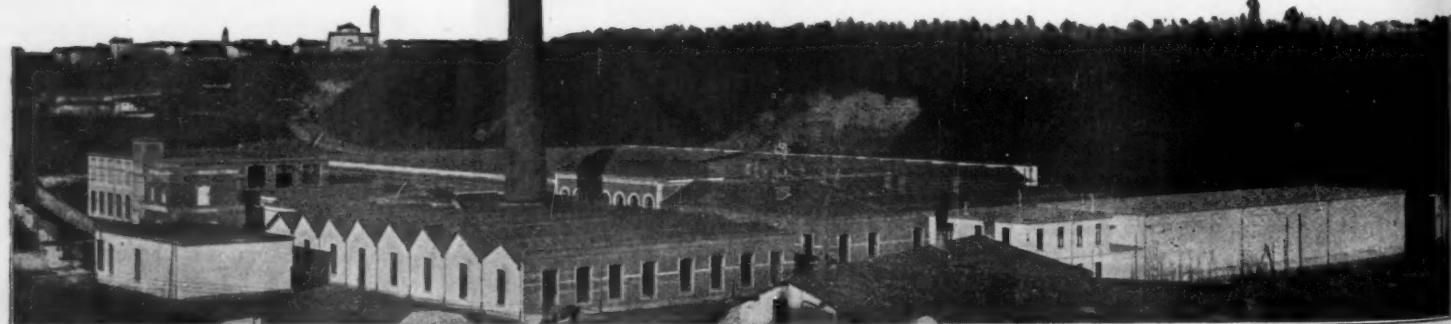
Half of Italy's people live on farms and hoard their paper money; so deposits in the three leading banks, Commerciale Italiana, Credito Italiano and Banco di Roma, are small in proportion to government note circulation. This was aggravated by the failure some time back, of the Banca di Sconto. The reverses of past years seem to have been a lesson to Italian bankers, and a stricter policy in granting credits to industry has been followed. It is said it was the inordinate credits given the Ansaldo and

Ilva companies that ruined the di Sconto bank.

To sum up, Italy's Government is strong. Industry and finance, after much punishment, are again on a sound basis. Electrification of railways, hydro-electric and other developments are starting. The national olive oil industry is outdoing that of Spain. Farm crop prospects are good, which means reduced foodstuff imports, and increased exports of country products, which are the greater bulk of Italian export shipments. Italy's purchasing power is less than normal, because of the depression of the lira, and decline of tourists' expenditures; but living is still cheap compared with many other European countries.

Uncle Sam still leads in sales to Italy, over all competitors; but this is true only because we supply such largely non-competitive things as bacon, lard, mineral oil, wheat, cotton, copper, etc.

We buy more from Italy, too, than do any of her other customers. We buy twice as much as England, her next best buyer. Silk, lemons, citric and other acids, nuts, hats, hemp, citrate of lime, olives and olive oil, marble, licorice and embroideries we get from her, worth many millions a year. To even the score we should sell her more manufactures.



Courtesy Department of Commerce

Cotton-spinning factory at Solbiate (Italy)



Courtesy National Surety Co.

Checks certified by rubber stamp counterfeits. Exhibit before American Bankers Association Convention.

## How Crooks Attack Your Bank Account

By WARREN BISHOP

LET A MAN build a high wall to shut off his neighbor's view, and his neighbor will make himself a longer ladder; as soon as the makers of armor plate guard a ship so that no shell can penetrate it, the makers of big guns devise one that will penetrate the impenetrable.

All of which is true in the warfare between society and those who prey on it. An argument in favor of the bank as against the stocking is that the danger of theft is lessened, but the skill of the forger has almost kept pace with the ingenuity of the men who make protective devices.

What tax do we pay for theft and more particularly for theft by forgery? The question can't be answered except by speculation and opinion, for few burglars keep books, nor do forgers make income tax returns.

But even speculation may be interesting. W. B. Joyce, chairman of the National Surety Company, not long ago took the reports of some twenty-five companies engaged in this line of insurance and figured out that stealings in this country in 1922 in all lines of crimes against property totalled more than three and a quarter billion—an amount larger than the federal income tax for the period and, incidentally, a figure difficult to believe. The estimated per capita loss to the nation was \$300.

According to these statistics there are—or were a few years ago—55,000 men in jail serving sentences for crimes against property—enough to fill a good-sized city.

"I talked these figures over recently," says Van Zandt Wheeler, manager of the forgery insurance division of the Fidelity & Casualty Company, "with a member of the District Attorney's staff in New York City, and he regarded them as conservative. He further estimated that for every man at the present time serving sentence in our prisons for a crime against property, there are not less than nine or ten at liberty and actively engaged in the pursuit of their questionable profession.

"While I do not vouch for the accuracy of his estimate, I believe it is reasonable. If true, it would indicate a thieving population of half a million, or one to 200 of the total of

men, women and children in the United States."

These figures are not easy to accept. A population of half a million engaged in theft, and stealing a total of three and a quarter billion dollars would be gathering in about \$6,500 a year each, which would seem a considerable average income.

Whether these estimates be right or wrong it is certain that we pay a high toll yearly for theft and that forgery—a crime peculiarly aimed at business men—accounts for a large part of that total, the estimates ranging from 50 to 100 millions a year.

### Forgery Losses Increasing

IT IS equally certain in the opinion of men who devote their time warring on forgery and to handling insurance against forgery that the annual heavy loss by forgery is not decreasing, but increasing. In the war of dishonesty against care and protection, the former is not lagging behind.

The spread of modern banking methods has offered the forger a wide field. All sorts and conditions of men now keep their money in banks and pay their bills by check. But where pickpockets once took and still take our money by one form of skill, the forger now takes it by another form of skill—one infinitely more subtle, as well as costly.

The forger prefers, when possible, to use the check bearing a genuine signature. He treats each check as a separate case, and never unnecessarily alters or disturbs it more than is necessary to accomplish his purpose. One check automatically lends itself to a change of payee's name; another suggests a raised amount; another, for a satisfactory amount, can be negotiated by means of an

altered payee's name and a forged endorsement. The big operator maintains various bank accounts under various aliases. A bank account of this sort is good always for one, sometimes for several transactions, simultaneously carried out. In this case a forged endorsement of the name of the true payee is followed by the forger's own endorsement as depositor. He lets the bank collect the item, then closes out his account.

Bad check men parallel their brothers within the fold of respectability. That is, some business men are pikers and think in terms of ten- and fifty-dollar transactions. Others, big men, think and deal in figures that run high into the thousands. The same principle works in the world of crime. There are pikers, mediocrities and really big-brained operators.

The successful forger does not as a rule care to work with counter checks, which are easily at hand in so many banks. He knows that the more businesslike a check is, the more easily it can be passed. Present a check on an ordinary blank of the Forty-fourth National Bank, signed John Smith, and the chances are you'll get nothing for your pains. But try it again with a check engraved for the use of the Soandso Manufacturing Company with an appropriate place for the signature of the treasurer and the counter signature of the president; have the payee's name typewritten, the number printed in red ink and the amount apparently put in by some sort of alteration-proof device; add on a printed and typewritten form showing for what the check was issued and declaring that once endorsed it becomes a receipt for that amount and for that purpose. Then you have a document much more easily exchanged for money.

The successful forger is ever on the alert for just such documents. Robberies of the mail, while they may be aimed chiefly at registered letters and packages, provide a readily marketable by-product in the letters which carry, not money, jewelry or negotiable securities, but checks. Checks thus acquired can be used in three ways; they can be cashed, raised or used as a model for other checks to be engraved in quantities.

How important is the appearance of a

check is shown by the success which forgers had in passing official-looking checks bearing the names of the "U. S. Geological Bureau." There is no "Geological Bureau" in the Federal Government, nor does the Geological Survey (its right name) issue its own checks. Its payments are made by United States Treasury checks.

Another instance of the ease with which specially-printed or engraved checks may be passed occurred not long ago in a middle western city. A number of checks purporting to be pay checks of the Chicago and Alton Railroad were passed with little difficulty, although they were crudely made. The effective factor was that each bore in ink not much darker than the surface of the paper a rough reproduction of the Chicago and Alton triangle. The effect was at a hurried glance something like a watermark, and little difficulty was found in getting the checks passed, although the whole forgery was crude.

#### Easy To Print Checks

IT IS not difficult for forgers to get checks engraved or printed in any fashion that pleases them, and more than one successful forgery has been carried through in the name of a company that never had an existence and which came into being solely that its name might adorn a pretentious check.

Merchants in one city, and not a very large one at that, were victimized not long ago by just such a check. A man, looking like a workman, walked into a store, made some small purchases and asked that they be taken out of rather a large pay check. Asked for identification, he showed a brass timekeeper's disk on which was the same number as that on the pay check. He got goods and money in a number of stores, the merchants learning later that there was no such firm as the one whose check he had presented.

Another help in getting cash for bad checks is the certification stamp. The customary uses of the certified check in business are not large. Accompanying bids, for the purchase of securities and in some other circumstances it is customary or required, but ordinarily it is not used to pay hotel bills or in exchange for goods over the counter. Yet the certification stamp makes a powerful appeal to the man who is asked to cash the check.

The impressive appearance of the certified check is gained at the slightest expense. All that is needed is a rubber stamp, and not an expensive rubber stamp at that. A dollar will buy a perfectly satisfactory one provided a rubber-stamp maker can be found who does not ask too many questions.

Efforts have been made by the authorities to get rubber-stamp manufacturers to report orders for certification stamps; but even if such a movement were successful, the art of making rubber stamps can be acquired by dishonest men.

Checks have even been cashed where the stamp showing that the drawer had money sufficient to pay the check had been made with moveable rubber type.

One lesson the forger and his fellow who passes the check soon learns is that a

check presented in payment for goods but considerably in excess of the purchase price can be passed with far greater ease than if cash alone were asked. The state of mind of a merchant who doesn't wish to "lose a sale" is not hard to understand. A check for \$200 in payment for \$60 worth of goods will yield \$140 in change much more easily than would a check for just that amount.

No man ought to cash a check without bearing in mind these things:

That a check that looks "businesslike" is not necessarily a good one. Much time and care may have been spent to give you just that impression.

That a check which appears to be certified is no more apt to be good than one without the stamp.

That the fact that a man is prepared to purchase goods from you does not guarantee the genuineness of the check he gives to you.

And above all it is well to bear in mind that the forger and the check passer are adroit and skillful criminals. They recruit largely from a "white collar" class of society. Often they are familiar with banking and business methods. They know the way in which the overwhelming amount of money in this country is handled by check. They can invent plausible tales to account for the checks they are going to pass. One may specialize in only one side of the work; that is, he may confine himself to forgery, or he may give all his intelligence to passing the forged instrument; but in either case he is apt to be skillful.

#### Proper Care Will Protect

WE HAVE glanced hastily at the weapons of the forger. What are the means of defense on the part of the man behind the bank account? What armor plate has he against the forger's big guns?

Chiefly three: care in keeping checks out of reach of those who might make wrong use of them; the use of protective devices for check-writing, safeguarded papers, etc.; and the forgery bond, which covers all forms

Bowen. A professional outside the office opens a bank account in the name Webster Bowen, keeps it moderately active. Comes the time to send the quarterly check, and the dishonest employe mails it to his dishonest friend, who endorses it for collection, deposits it and gets the money. Difficult to prevent, but it goes to show the need of guarding checks, both blank and signed.

Check-protecting devices are a strong aid in limiting the forger's activities. They are of many kinds—safety paper, check-writing machines, acid-proof inks—all helpful.

There remains a third means of safeguarding one's bank account—the forgery bond, which is a growing form of protection. Forgery insurance is something like fire insurance in this respect: buildings may be, so far as human knowledge goes, fire proof, but they do suffer damage by fire, and then insurance steps in to replace the loss. With checks every known precaution may be taken and yet somehow a check is raised or altered.

#### Forged Endorsements Frequent

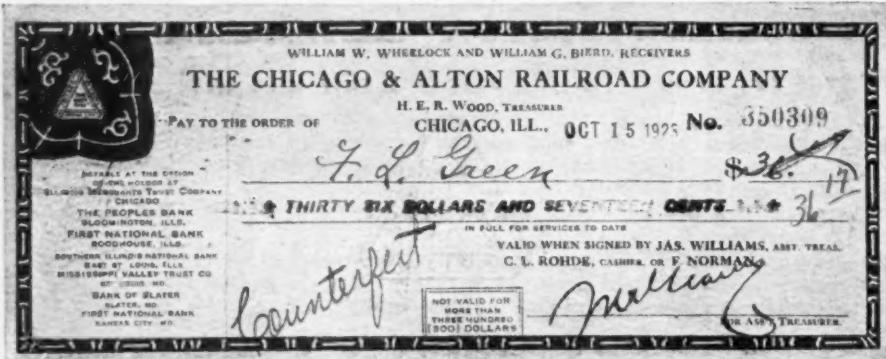
NO PRECAUTION in guarding or writing checks can prevent forgery of an endorsement in a case such as this:

An employe of a broker's office in New York stepped up to the margin clerk and asked that a check for \$250 be issued to a customer named, let us say, Walter Phelps. Phelps' account was looked up, found all right and the check issued. The next day a request for the balance of the account led to the issue of another check for some \$200. Both were certified without question and both were cashed, one at an uptown bank on the strength of an endorsement by a depositor in the bank. This endorsement the depositor declared was forged, but the bank insisted it had paid the money to its depositor. The other check was cashed in a restaurant. Several weeks later the broker's customer discovered that his money had been drawn out.

Cases of forged endorsement make about half of the forged check losses, with forged signatures accounting for most of the rest. In very many cases the check is raised and the signature of the endorser also forged. This would be common with checks stolen from the mails since the signature of the drawer of the check would be genuine and the chances of passing it would be better.

It is in such cases as this where liability might be disputed and where lengthy litigation might result that forgery insurance plays an effective part.

Comparatively it is a new form of insurance. An effort was made about sixteen years ago to write forgery bonds for banks, but the loss rate was high, and the business was not encouraged. Some insurance of this type was written in England for American firms, and then about five years ago new forms were devised, new rates fixed and now perhaps a dozen companies are issuing bonds both to banks and to individual depositors as well as to business men to protect them against accepting bad checks in the course of business. About 300,000 such policies have been written with annual premium intake estimated at \$10,000,000.



Counterfeit of Chicago & Alton Railroad Receivers' Check.

# A Capitalist Unashamed!

IF THERE is a more odious word in the English language descriptive, on some glib and sounding tongues, of a man of business than "capitalist," John Huegin Puelicher is willing to have it applied to him.

Viper? Yes; provided it becomes a standard noun employed by politicians, journalists, magaziners, communists and other mercenaries and demagogues to slander manufacturers, bankers, transportationists and merchants.

Not only is John Huegin Puelicher willing to have the term, whatever it may be, applied to him, but he will eagerly stand up anywhere, at any time, and in any company, to defend it. This he will do because he belongs to what is known as the capitalistic class, being the chief officer of a great Milwaukee bank. Moreover, until September, this year, he was president of the American Bankers' Association. There is no disonor, he feels, but, on the contrary, distinction, in the holding of either position.

The miserable capitalistic class, in its personnel, as a whole, is much like Ahab, the wicked king, who, on being reprobated by Elijah "fasted and lay in sackcloth and went softly." Capitalists may not fast or lay in sackcloth, literally, but if ever men went softly, on foot and in speech, capitalists, in the United States, at least, are those men. They seemingly fear that some cart-tail orator or barrel-head writer will bring the censorable charge against them that they are operating railroads and running factories and giving work and wages to labor, to the increase of the wealth of the nation.

Well, John H. Puelicher, himself, has no such fear. He arises, full-hearted, and, tapping his breast with his right index finger, says: "Blaze away; I am a capitalist."

If any one desires to argue the matter with him, Mr. Puelicher probably will observe that there are no capitalists in Russia and that its starving millions are kept alive with food doated by capitalistic countries.

The time, he thinks, for pussy-footing on the part of capitalists, if ever there were any real excuse for it, is past. He refuses to imitate the ancient Greeks, who, on certain occasions, cut off their hair, concealed themselves in mufflers and tiptoed in their sandals so as to be noiseless in looking and listening Attica. He thinks, indeed, that sensible noise is a needed counteractive for unsensible noise and that this is the juncture to begin it. Instead, therefore, of tiptoeing, he bravely tramps, his hobnailed soles and heels publishing the act; more, however, than bravely, energetically and intelligently, yet tolerantly.

With courtesy he covers the ignorance of a multitude of Americans, the heedlessness of a nation of head-line philosophers, by saying that they are lacking in information and a good understanding of elementary economics. They would be all right—were it otherwise.



*Some extracts from the creed of John H. Puelicher, banker and good citizen*

By JAMES B. MORROW

But the case seems to be closed, with mature men and women, catching their opinions on the jump, as hosts of them do, from flaming billboards and bawling type, amid the uproar caused by damp and unlaunched declaimers, who live by their voices and wits and not by useful work.

It is to what he trusts will be a newer, better and wiser generation that Mr. Puelicher looks for old-time rationality and common sense—the pupils of the public schools and the students of American colleges and universities. And it is to this generation that he now appeals; in all parts of the country, and most interestingly and convincingly.

There is no other man like him in the United States; no other American who is doing more for the nation, its sanity and well-being (a wide statement, but it is true, in the opinion of the writer). Mr. Puelicher has lived all his life in Milwaukee. He has seen Wisconsin turn from sobriety, economically, and go joy-riding through strange roads, with parrots screeching in the brush and monkeys cutting up high jinks among the trees; roads that led nowhere, but, if anywhere, to disaster and foolishness, as can be

proved and is being proved in a thousand spots of Christendom.

There was some reason for it, Mr. Puelicher thought—for Wisconsin's imagining that the screeching of parrots was the melodious chorus of justice and that the gymnastics of monkeys constituted the new formula for happiness. A banker, he was charged (he jocularly remarked to me at Atlantic City) by the king of the herd among Wisconsin socialists with stealing four smaller banks each month.

So he was the man, of all others, to sit down and think about it—about the joy-riding of the populace, or a large part of it, and the exaggerated and reckless language of a new type of agitators. Moreover, he had come out from among the populace himself,

from among the people, and very poor people, at that.

The career of this man not only sounds like a moral and interesting legend but in it are contained all the factors of success and good citizenship. He

had for long been a banker when he sat down to think about the noise, delusions and complaints of the men of his state—of many men in all the states. "Here am I," he thought, "at the head of a great mid-western bank." A little later he added: "And the president of the American Bankers' Association."

Then he thought of his father, John Puelicher, a Prussian, who was brought to America while an infant, and who grew up at Newburgh, in New York, and whose father was among the revolutionists of '48. John Puelicher, his son remembers, spoke German, but not fluently. And then he thought of his mother, Mary Huegin Puelicher, born in this country of Swiss parentage, who, from her teacher, learned to speak German beautifully.

He remembered the poverty of his parents and how he was compelled to quit school at the age of twelve so that he could get work and help his family. Let him tell of his first employment.

"I found a place in a shoe store, a short distance from my home. I arose in the morning at 5:30 o'clock, fed and took care of two of my employer's horses and then went to his home, over the store, and helped his wife—to beat carpets and so on—until breakfast time at my father's house. My day's work ended at 9:30 o'clock at night, except on Saturday, when we kept the store open until 11 o'clock. On Sundays I worked until 1 p. m. selling shoes and wrapping bundles at the store.

"Now," Mr. Puelicher broke into the story of his early experiences to say, "in disposition, in likes and dislikes, I was the same as other boys. The same, after I had grown up, as other young men. I would have liked to smoke but I didn't have the money to indulge myself in that supposed pleasure. I would have liked to run around at night but I didn't have the money for adventures of that sort. My wages at the shoe store were

\$2.50 a week. Well, Christmas was coming on and I was overjoyed when my employer informed me that he would pay me \$3 a week after New Year.

"On Christmas Eve he said: 'You'll have to run the store tonight, John. I am needed upstairs.' I closed the store at 11 o'clock but it was 4 o'clock in the morning before I got the confusion of the night's business cleared up.

#### Goes Into Wholesale Shoes

"I WAS back at the store early Christmas Day, exchanging gift shoes and slippers that didn't fit for those that did. Presently my employer appeared. 'I hate to tell what I must, especially on Christmas,' he said, 'but a baby girl came to our house last night and I can't pay you \$3 a week next year, as I promised. My increased expenses now won't allow it.'

"I soon found another place—in a wholesale shoe establishment. While there I became very much interested in penmanship and made the acquaintance of Louis Madras, a Spaniard and one of the finest penmen in the world. So I began practicing on shoe boxes with pen and paper whenever I had any leisure.

"Really I did very well, with flourishes, shadings and lines. I had an uncle employed at the old Mitchell bank in Milwaukee. One day I wrote him a letter, which came to the desk of the vice-president of the bank. 'Who addressed that envelope?' he asked my uncle, when he gave him the letter. 'My nephew, my uncle answered, recognizing my penmanship.

"'Ask him,' said the vice-president, 'if he will come to us as a draft clerk?'

"That's the way," Mr. Puelicher told me, "that I got into the banking business."

After Mr. Puelicher sat down to analyze the complaints and dissatisfaction of the men of Wisconsin, and elsewhere, having his own life in mind, he reached the charitable conclusion that what Americans sorely needed was a working knowledge of the elementary principles of every-day economics. If Americans could attain to this better understanding and this working knowledge, he believed, demagogues would lose their power to lure.

#### Has Practical Ideals

IT SHOULD be known that John Huegin Puelicher is both a practical man and an idealist. He sees with his eyes and through his imagination. Moreover, he is an educated man, although he left school while still a child. Furthermore, he has courage, and the conscience of a good citizen.

"Although every human being hopes for ultimate success, although success is the goal of all, warfare against the successful is volubly raging," says Mr. Puelicher. "The dreamer, usually honest but usually impractical, the demagogue, never honest, but often too practical, the professional reformer for personal profit, are all preaching the gospel of unrest, of class hatred, of disrespect for law and order, of discontent with honest endeavor. Their stock in trade is appeal to the jealousy and cupidity of the less fortunate."

There was work of the highest order to be done, Mr. Puelicher realized in his study of the state of mind of his countrymen. Bankers, themselves, he saw, were misunderstood, and were too silent and self-effacing under the attacks of unprincipled political agitators seeking public office or desiring to continue in office.

The banker, he argued, ought to come out from behind his desk or counter and mingle

with the public; should set himself right in the mind of the public; should defend his calling among the people. But the banker should be prepared to do these things. Mr. Puelicher, therefore, took an early and enthusiastic interest in the organization of the American Institute of Banking. He founded the Milwaukee chapter of the institute and served as its vice-president and president.

Into the institute as members came both the officers and employes of the country's banks, who, by lectures and other means, learned all the technicalities of banking, as well as the proved principles of sound finance.

This was the first step, in Mr. Puelicher's opinion, to diffuse throughout the United States a better understanding of elementary economics. Then this notion occurred to him: Teachers in the public schools come into intimate mental relations with the boys and girls of the country. Teachers, therefore, may help, as no other class can, in the spreading of truth and the exposure of error. Further, why shouldn't bankers, after the boys and girls have gone out into the world as men and women, unobtrusively, but persistently and attractively, keep them in or lead them toward the ways of discriminating and wise thinking?

#### Teaches Credit in Public Schools

THIS thought grew in the mind of Mr. Puelicher. He obtained documents and tables of figures.

"I found," he told me, "that 80 per cent of the pupils in our public schools leave school after they have reached the seventh or eighth grades. I found that of the 20 per cent remaining, only about 10 per cent get through the high schools and that about 2 per cent of such pupils enter college. I found that there are, approximately, 10,000 schools in the United States.

"I thought of the 80 per cent of our boys and girls who enter life not well prepared to detect the inaccuracies, delusions and foolishness poured out by politicians and journalists. I thought something ought to be done for them.

"So I went into the public schools of Milwaukee. On one occasion I addressed 1,600 pupils. I told them about banks. I gave them what I called the four C's of credit: Character, Capacity, Capital and Collateral. I spoke particularly about character. The boy who cheated, I said, might end his life in disgrace.

"Several days later a high school teacher came to see me. She said that after my address had been delivered a boy waited for her in a corridor. He was pale and looked distressed.

"'Miss Smith,' he said, 'I want you to mark me zero in yesterday's examination.'

"'But,' Miss Smith replied in surprise, 'you made at least 90 per cent.'

"'I know,' the boy answered, his chin down on his breast, 'but I cheated.'

In the meanwhile, it should be understood, Mr. Puelicher was managing his large bank in Milwaukee, was a trustee of the Milwaukee-Downer College, of Marquette University Medical School and the Milwaukee Art Institute.

He was also collecting postage stamps, and reading and studying three languages—English, German and French. He has worn out many dictionaries during his etymological investigations. Long ago he learned the meaning and pronunciation of one word a day and on Sunday quizzed himself and impartially marked his own examination papers.

Well, his experience as a lecturer to the

pupils of the schools in the city where he lives caused him to write ten short talks on banking and elementary economics. Among his subjects were: The General Idea of a Bank; The Bank Check; Loaning the Bank's Money; Character, the Basis of Bank Credit; The Bank and Your Investments; the Federal Reserve System and Analysis of a Simple Bank Statement.

#### Circulate His Talks Nationally

THESE talks were printed by the committee on public education of the American Bankers' Association and put into the hands of bankers in every section of the country, who were requested to visit the higher grades of the grammar schools and the high schools in their immediate neighborhoods and read the talks, or their own talks, if preferred.

"Honesty," he wrote, for instance, "is not the only factor involved in credit. One may be extremely careful to keep promises or agreements and yet not deserve credit at a bank," if one, for example, has lived until forty years of age and "has no money or property of his own." Such a man has not learned to save. He has not managed his own affairs wisely.

"Opportunity," says Mr. Puelicher, "does business on a strictly cash basis. She smiles on those with bank accounts and laughs at those without."

Asked if he remembered the first money he was ever paid, Mr. Puelicher said: "Yes, it was when I had the measles. The blinds in my room were pulled down as a protection to my eyes. I was just a little chap. My grandfather came to visit me. 'If you are patient and don't trouble your mother,' he told me, 'I'll give you fifty cents.'

"In the afternoon, after thinking the matter over, I asked my mother to get the fifty cents. 'If I cause you any trouble,' I promised, 'I'll pay the money back to grandfather.' She gave me the fifty cents—it was probably her own—and I kept it tight in my hand until the blinds were raised and I was fast getting well. I spent that half dollar a hundred times, there in the dark, buying all the things I wanted in the world. I had more fun with that money than I ever have had with any money since."

#### Fifty Cents Worth of Fun

"AND FOR what did you finally spend it?" I asked.

"Postage stamps, I suppose," Mr. Puelicher answered.

"Equality of capacity," Mr. Puelicher said to the bankers who recently met in Atlantic City, "is a biological impossibility. Man's greatest opportunity is his innate fitness."

His own innate fitness can be read in the delicious story of his grandfather and the fifty cents. He wanted the money—on the spot; but he would give it back if he broke the contract. A juvenile banker, on his back, with window blinds down, he demanded the cash on the counter before extending the credit of faith to his grandfather. And, getting it, he held on to it, turning over in his mind many ways of investing it.

There are "magnetic" men in the world, made so by friendly faces, strength of mind and body and an intrinsic power and attractiveness which cannot be scheduled, itemized or portrayed—only felt. Mr. Puelicher is a magnetic man, glowing with energy and enthusiasm, having kindly and steady eyes, a compact and sturdy body, wide, deep shoulders, dark skin and hair and a fine nose and chin. He believes in America, in Almighty God and in the inherent nobility and wisdom of the people of this, his native land.

# Honor Industrial Service Stripes

By WILLIAM C. LYON

HERE was a man in the employ of one company 51 years! Were there any others who could match his record?

The company began to dig into its records for old employees. It found another man who had been 56 years in the service. And still another who had been there 57 years.

Then the superintendent showed up. He had an unbroken record of 64 years with the company. Four men with a total service of 228 years.

Then the city took it up—the city of Wilkes-Barre. Through its Chamber of Commerce it began a survey of veteran employees in the industries within its boundaries.

It found two companies, each with six men who had served more than 50 years. It found 43 with service records of from 45 to 50 years each with one concern; 129 who had served from 40 to 50 years and 273 who had served between 35 and 40 years.

So read the record: 474 workers, seasoned veterans of mine, shop, store and factory with a total of service exceeding 18,000 years. This is more than three times the period of the recorded history of mankind.

"What are we going to do about it?" asked the business men of Wilkes-Barre.

"We are going to pay honor where honor is due," said the Greater Wilkes-Barre Chamber.

That's just what they did. A short time later more than seven hundred employers and employees of Wilkes-Barre sat down to a dinner consecrated to Service, Loyalty and the proposition that there is humanity in business. Before they sat down those 474 veterans were presented with gold service buttons—Distinguished Service Crosses of honest toil.

And a clergyman who had served one church in Wilkes-Barre for more than 50 years pronounced the benediction.

It was a democratic gathering. The coal operator sat at the board as host to the group of miners who had wielded the pick or driven the drill for half a century. The manufacturer ate with the machinist and the tool dresser—men who had worked at the lathe when he had toddled at his mother's knee.

The four men about whom the idea originated to pay this homage to long service were followers of the art of old Tubal-Cain, "the first known artificer or cunning worker in metals." They were John Rinehimer, superintendent, 64 years' service; M. H. Cook, toolmaker, 57 years' service; Samuel Thompson, master mechanic, 56 years' service and Joe Betzler, tool-dresser, 51 years' service. All were—and are now—employees of the Vulcan Iron Works.

Present also were officials of the Kingston Coal Company and 134 employees. Six of the 134 had seen more than 50 years' service each, 14 from 45 to 50 years, 31 from 40 to 45 years and 83 had been in the company's employ between 35 and 40 years. Here was a total of 5,075 years. Measured in the service of one man the total period of employ-



These four men represent 228 years' continuous service in the employ of the Vulcan Iron Works, Wilkes-Barre, Pa. Left to right: M. H. Cook, toolmaker, 57 years' service; Samuel Thompson, master mechanic, 56 years' service; John Rinehimer, superintendent, 64 years' service, and Joe Betzler, tooldresser, 51 years' service.

ment of these 134 employees would reach back into history almost to the time of the building of Solomon's temple.

The Lehigh Valley Coal Company was represented by officials and four employees of more than 50 years' service each, 10 with service of from 45 to 50 years each, 15 between 40 and 45 and 29 between 35 and 40. Here another group which, reduced to the service of one man, would make a total of more than 2,250 years and stretch back to the time when Scipio led the Roman Legions.

In all there were 41 employers who were hosts at the dinner to from one to 135 employees each who had been in their service more than 35 years. Stores, banks, newspapers, schools, postal service, municipal government, railroads, public utilities, construction companies, mines—these and other industries which abound in the Wyoming Valley of Pennsylvania were represented.

## Leads to Better Spirit

THE IDEA of the dinner to these veteran workers was developed by the Committee on Industrial Relations of the Greater Wilkes-Barre Chamber of Commerce, which conducted the survey to find the number of veterans in industry of over 35 years' service. The chairman of this committee is Henry Weigand, president of the Penn Tobacco Company. Let it be said here that this company, more than 23 years old, has never had a strike among its employees.

Service! That was the keynote of the evening's program. A. J. Sordoni, president of the Chamber of Commerce, represented service to the community. Judge William S. McLean, toastmaster, a veteran of the World War, and now a county judge, signified service to the state and nation. General Asher Miner, one of the speakers, left a leg in France—an incidental in his service to his

country. Captain Irving O'Han, principal speaker, served America in two wars. Even the leader of the orchestra was a veteran in his line of work with more than 35 years' service in the city of Wilkes-Barre.

"The affair exceeded our expectations," declared Chairman Weigand. "Our committee, whose purpose is to bring about a better understanding between employer and employee, believed that its first step should be to bring both in direct contact with each other. When we made a survey of the plants to determine how many had been employed 35 years or more we were astounded at the number we found.

"When that survey was finished it convinced us of the splendid spirit of loyalty and faithfulness of a majority of the employees of the plants of our Wyoming Valley. It was almost unbelievable to find nearly 500 employees who had served our industries 35 years or more. If all the railroads of our district could have been included the number would have exceeded a thousand.

"Now we have found, since the dinner was given, that there are more men who have been employed 35 years or more in local plants than attended the dinner. The only reason they were not invited was because their company's record did not show it.

"The enthusiasm of the men who attended as guests left a vivid impression among the younger employees of the community. It was really the greatest affair we have ever had here. It has left a splendid impression not only among employers and employees but between employees and the Chamber.

Speaking at the dinner, in behalf of employers and employees, General Miner said:

"This gathering and its spirit shows that in spite of all we hear of controversies between employers and employees, there must be numerous employers who treat their employees fairly and almost innumerable employees who are law-abiding citizens and who give a good day's work for a good day's pay or they never would work together so long.

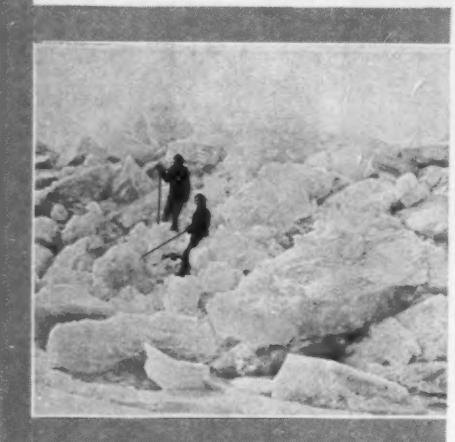
"The fact that there are many long-service men in this community shows that it is built upon a solid foundation of pure Americanism and the Golden Rule and that there need be little fear of Bolshevism and Communism."

In special acknowledgment to the veterans, Mr. Rinehimer received at the hands of the Industrial Relations Committee of the Chamber of Commerce an engraved silver loving cup. The clerks in a store sent flowers to a woman who had worked in one place more than 35 years, while a substantial check from her employer was presented by the toastmaster as a part of the program.

"The song leader called upon the larger groups to lead in singing," writes Secretary Williams. "It was a big event, and afterwards the workmen who attended the affair gathered together in their plants and insisted upon telling the men who were not there about the wonderful time they had."



The city rose from the sands beside the lake, backed by miles of barren dunes



When summer can't attract, Michigan City offers winter sports



Twenty-seven miles of fine roads have prepared the way to beautiful homes among the sand hills



This \$500 investment was replaced with a quarter of a million dollar plant

## The City That Found Itself

By ERNEST N. SMITH

THE CHAMBER of Commerce in Michigan City, Indiana, was born out of sheer necessity. Turn back to 1916 and 1918. Michigan City fronts on Lake Michigan and is 52 miles around the lake from Chicago. It was built on sand. To grow any grass or flowers it was necessary to water twice a day. An open sewer ran through the city. An Industrial Association had located four factories in the town in two years by offering bonuses but three of them had gone broke.

The town had about 19,000 inhabitants, but the population was rapidly disintegrating. There was, however, positive assurance that the town wouldn't be entirely depopulated. One of the two Indiana penitentiaries was located in Michigan City.

The outlook was bad enough, but it remained for some government engineers investigating the question of deepening the channel entrance to the small harbor to chill the city spirit still further. Cold blooded, and lacking local pride, the engineers' report contained these doleful remarks, "Strictly speaking, there are only about one dozen manufacturing plants to be found within its borders, while there should be by rights many more. Unhappily, for many years there was a strong influential power which dominated all affairs in a selfish manner, which was to prevent other manufacturing plants of any importance from gaining a foothold in Michigan City. . . ."

These "other" manufacturing plants might have divided the existing labor supply or raised prevailing low wages, so the "strong influential power" kept the city closed up—so it was explained by the citizens.

But there are further depths of civic misery to be plumbed. At the time described the city had 300 vacant homes and 50 empty stores. About this time the Michigan Central Railroad determined to remove its shops from Michigan City to a point forty miles farther east. The following year, therefore, 600 families departed, leaving behind 500 additional vacant houses. The sands of the desert about Michigan City began to grow cold.

This was the situation in January, 1918. In February seven citizens with something in their hearts besides despair got together. A doctor, a retail hardware dealer, a plumber, a women's ready-to-wear retailer, a retail clothier, a manufacturer and a wholesale grocer turned their backs on the past and founded a Chamber of Commerce. These men didn't hurry. The situation was too serious for hasty action. Plans were formulated and carefully considered. Not until October was a secretary secured. A young business man in Chicago, active in the Association of Commerce there, and familiar with Michigan City, agreed to spend three days a week on the job to assist in developing a program. He is still there working 480 days a year, and is regarded as one of the town's best assets.

Slowly and carefully a program was developed. Headquarters for a Chamber of Commerce were secured and over the entrance was the sign, "Where there is no vision the people perish." The seemingly meager assets of the region were analyzed. It was determined to give no more factory bonuses. It was likewise agreed that the hope of Michigan City,

situated as it was, lay in industrial development. It was seen, however, that such a development would call for good housing, healthful living conditions, recreational facilities, adequate transportation and good roads.

Adjacent to the city was a makeshift beach and some interesting but lonesome sand dunes. The possibility of developing a fine beach and a summer resort was considered and eventually approved. A balanced program was completed. It appealed to the common sense as well as the imagination. Men facing so serious a situation as confronted the good citizens of Michigan City had no time to waste in idle speculation. Men got busy.

### Getting Things Started

THE SECRETARY and the officers of the Chamber of Commerce began to gather converts and "sell" them so thoroughly on a civic and commercial program that men caught the vision and held it.

Immediate and ultimate projects were considered and accepted as part of the program. Patience was linked with enthusiasm, prudent management with high resolves.

See now what resulted from small beginnings. An analysis showed these commercial assets—plenty of sand, good water, a perfectly clear, dry atmosphere, good shipping facilities, a medium labor market with average wages.

The assets were advertised in a modest way, and answers were vigorously followed up. Lots of sunshine, clear air, soft water and open spaces attracted a manufacturer of sterilized curled hair for furniture. These things particularly suited his business. Avoidance of freight-house congestion which caused heavy expense in a large city could be avoided in Michigan City. He moved his plant.

"We are very well satisfied with our location and have progressed since we located here," reports the owner.

The temptation is strong in writing such an article as this to emphasize unduly the dramatic side of a human accomplishment. For this reason especial care was taken to secure the opinions of men who had invested money in plants, who established themselves in Michigan City because they could make money there.

### Pleased Concerns Invite Others

"WE CAME here in 1920," writes the vice-president of one large concern. "We believe the chief inducement to coming here was the fact that Michigan City seemed to be a town of some real ambitions. . . . No factory can succeed without an adequate supply of labor, and the best insurance against labor shortage is a progressive, live, interesting city. The Chamber of Commerce here has fostered the building of homes, the improvement of our parks and beaches; the building of theaters and places of amusement and the construction of a really first-class hotel. In other words, it hasn't stopped at merely getting factories but has sought to make its development logical and complete."

Consider for a moment what comprised that "logical and complete program" that so appealed to the progressive manufacturer.

Michigan City was the first community in

THIS STORY of how an Indiana community turned its back on failure and marched ahead to civic pride and prosperity is not printed to laud Michigan City, but in the hope that it may stir some other town whose opportunity still lies unawakened.

the state of Indiana to adopt a commission-manager form of government.

It was first in Indiana to undertake zoning plans and to have a city plan commission.

Thirty-nine miles of streets are paved and 80 per cent of the streets have sidewalks.

Michigan City has its own city laboratory making daily water and gas analyses, and other analyses of vital importance to the health of the community. This is one of the few cities with a population under 50,000 having a laboratory.

The privately-owned water plant was bought by the city, and the municipally-owned system raised a 15-pound pressure to 50 pounds. In the sections of the city where laborers' homes were located a parking space was run down the center of some streets and grass and trees were set out.

Gradually the owners of homes began to plant, and to paint their houses. The whole atmosphere of the district changed. A city-beautiful campaign is still on.

#### Urging Public Works

A MILLION-DOLLAR sewer system is being installed, and the open sewer which existed for eighteen years will soon be a memory.

A new fire department was developed and all the equipment was modernized.

A splendid school system was built up with eight grammar grade schools, a new quarter-of-a-million-dollar high school, and a large gymnasium is in prospect as part of the program.

Many cities have sought to interest the children in their home town—the only one they ever knew—by offering prizes for the best article on "Why I love my city," and "Why Kiddem is the best town." In Michigan City they reversed the process. The Chamber of Commerce asked the school children what they would like to have the city do for them. Go to Michigan City and see hundreds of children on a pleasant day enjoying the tennis courts, playgrounds, casino, amusement devices, protected inland bathing pools, and an athletic field and you will realize how the tax-payers made life sweet for the coming generation.

All this time the town was taking on life and growing. A new hotel was needed. The citizens raised nearly a million dollars and the new hotel became a reality. There were two corners in the city where a hotel could best be located. One corner was vacant. On the other corner was an old church. It was of course felt by almost everyone that the vacant corner would be selected. It wasn't. The church property was purposely taken, because while the hotel was being built the congregation took the vacant lot and built there. The result was two handsome new buildings instead of one.

#### When the Council Wouldn't Pave

MEANWHILE road building was going on, particularly outside the city where the sand dunes were being opened up as a summer resort. The Chamber of Commerce advocated the building of a three-quarter-mile strip of pavement to connect two important districts. The City Council considered the matter one night and by a majority vote turned down the

proposition. The Chamber of Commerce rallied its forces, got the council to reconvene, and at ten o'clock the same night the original vote was reconsidered and the construction authorized.

Another sign in the greatly enlarged quarters of the Chamber of Commerce reads, "If you try you may, if you don't, you won't."

Turning again to the opinions of the manufacturer:

"When this company decided to abandon its old plants in Illinois and consolidate its efforts in a new plant," wrote the president of a company that had invested a million dollars in Michigan City, "a score or more cities sought the industry. Of this number but three got their story across right from a salesmanship standpoint, and Michigan City walked off with the order. And it was C. O. D., in spite of offers of free factory sites by some other cities.

"When it came to final negotiations, practically the entire town waited on us in a body. The delegation was composed of two judges, the leading bankers, merchants, manufacturers, physicians, the mayor and city officials and representatives of labor.

"About this time the owner of the 40 acres for which we were negotiating went insane, which involved almost interminable legal procedure. We were in a hurry to get under way and this seemed to offer almost insurmountable obstacles. Nothing daunted, however, the delegation on the spot guaranteed the acquisition of the site by the time we were ready to begin construction work and carried out their part of the program without delay.

"At the same meeting the Chamber of Commerce was authorized by me to acquire an adjoining strip of land for railroad tracks at a price not to exceed \$1,500. The Chamber of Commerce promptly turned over a contract to us at a total cost of \$25."

Another factory wanted some land for which the owner demanded \$6,500. The Chamber of Commerce secured the property for \$4,250.

An Ohio concern turned down Michigan City three times. On the fourth attempt the factory was secured when the Chamber of Commerce secured 20 acres of land at \$175 an acre for which the owner had asked \$1,000 an acre. Under the influence of his neighbors in the Chamber of Commerce he dropped the price to help his city.

Another plant wanted a particular piece of property valued at \$15,000. The Chamber of Commerce secured it for \$4,000.

In no instance did the Chamber of Commerce make up the difference in price. The cooperation of the property owners was secured as a result of a magnificent civic spirit. "This wonderful civic spirit and cooperation will sell any town in the country," wrote a manufacturer.

The result of all the work has been that the 800 vacant houses and the 50 vacant stores were long since filled. In a little over four years 22 new manufacturing plants were secured, 700 new homes built and 30 new stores constructed, *all of which have been occupied*.

For the benefit of the business man who might ask, "What did this all cost?" let it be



There is a permanency about the welcome to Michigan City, and there is plenty of parking space



Two years after this sand dune property was sold for taxes a summer resort of 600 cottages was built up



The hotel was built on the church property so the congregation would have to erect a new church—result two new buildings



Analysis was made of the attractions for factories. Then these appeals were moderately advertised

recorded that the city tax rate of \$1.66 in 1910 went only to \$1.76 in 1922, and is set at \$1.40 for 1924.

It would be unfortunate if this article should leave the impression that the city had concentrated wholly upon manufacturing. The program was far too broad for that. There was another asset near at hand, the possibilities of which it will take years to exhaust.

When the geographers of the world were convening in the United States a few years ago they expressed a desire to see four places—the Grand Canyon of the Colorado, Yosemite, Valley, Yellowstone Park, and the Sand Dunes of Indiana. The latter are adjacent to Michigan City and will soon be made into a state park. The Michigan City Chamber of Commerce secured as part of its program a million dollar appropriation from the Indiana State Legislature for that purpose.

A great summer playground has been built along the shore of Lake Michigan just above the city. A hydraulic system reduced some of the dunes to a level slope adjacent to the shore, and here some 600 summer cottages have been constructed on territory previously sold for its tax title.

Some 25 miles of paved roads run in and out of the dunes and have only penetrated one corner.

And so you may step from an electrically lighted, twentieth-century home, across the pavement, up the forested hillside of a hundred-foot sand dune, plunge down the other side and find yourself shortly in a wilderness as solitary as when La Salle and Tonti stepped lightly along the Indian trails two hundred years ago. There in a fairy land you can study the work of a hundred times one thousand years, wrought by the artists of a remote time, the glaciers, the winds, the water and the sun. A strange land this! The red barberry, a trailing evergreen, carpets the slopes from which rise the northern scrub pines of Alaska.

Near the foot of the dunes one may find the prickly pear

cactus of Arizona, and further up a southern grape, found nowhere else in the state. Over a dozen varieties of orchids may be found in the tamarack swamps, and among the cranberry vines grows the tiny sundew which catches insects with its sticky hairs.

The pitcher plant is readily found, and if one penetrates further behind the dunes to the swamps, the undrained bed of an ancient lake, the Arctic willow and Arctic birch are to be found in profusion.

Nature keeps a store in those dunes to challenge the interest and imagination of the amateur and professional explorer. And the territory is so vast that the homes one finds among the dunes seem as far apart as towns in the West.

From the top of a dune I sighted, townward, and far distant, a strange, round edifice. "That," said my companion, "is a concrete amphitheater, seating 30,000 people. We use it for sports and community gatherings."

Contacts, not conflicts, have made this town, and will eventually make it great.

So remarkable is the spirit of the community, so unusual the program, so inspiring the way in which the citizens of all classes and creeds stand behind their Chamber of Commerce.

merce, that one turns to cold figures assured that these will reveal how substantial have been the profits that the city gathered to itself by developing to the highest degree the physical and mental assets of the community.

It is no surprise, therefore, to learn that between 1917 and 1922 the annual payroll jumped from \$4,000,000 to \$10,000,000, the annual value of building permits from \$117,000 to \$2,500,000, the assessed valuation from \$7,000,000 to \$19,000,000, and the bank resources from \$4,800,000 to over \$8,000,000.

To turn again to the men who invested their money in this community, let a manufacturer who grew up with the town give this final bit of evidence as to whether it all paid.

"In 1918 the city was absolutely without community spirit. The people would not work together. Now they have a common object. They decide what they want to do and then unite and do it. It took all of three years to bring this change about. There are still fossils without vision, but they may, in time, get the right viewpoint."

The difference between Michigan City of 1918 and the Michigan City of today is the difference between a divided community without a vision and a united community with a very bright vision before it.

The Chamber of Commerce is the biggest thing that ever came to Michigan City, Indiana. In the opinion of its residents it is more important than the adjacent life-saving station on Lake Michigan, for their Chamber of Commerce saved a city.

The inspiring evidence of what was accomplished in a few years of cooperation is respectfully referred to those who confine their civic efforts to a grudging attendance at the "annual banquet," to those citizens who delight in bringing an early frost by remarking, "What has the Chamber of Commerce ever done for me?" and to those secretaries of chambers of commerce who hang an auction flag at their desks and are ready to jump toward the highest bidder.

## Our Interdependent Industries

A Pictorial Survey of American Industries, With Special Reference to Their Interrelations

By CHARLES FITZHUGH TALMAN

### III.—PORTLAND CEMENT

THROW a stone anywhere in an American city, and you will probably hit something made of concrete. Concrete is revolutionizing the human environment because marvelous improvements in manufacturing machinery have made cement cheap enough for universal use.

The cement-maker is dependent upon his brethren in other industries for many essential things in the operation of his plant. The debt is paid in concrete.

Some of the ways in which Portland Cement serves other industries and is served by them are illustrated in the pictures on the pages immediately following.

## Neglect of Politics Handicaps Business Men

By STEPHEN S. TUTHILL

Secretary, American Zinc Institute

sonally and not our money alone that can and must do this thing.

The present-day oppressions of us business men are due solely to our failure to exercise our prerogatives as American citizens.

The ballot box is more and more affecting the balance sheet of American business, and the place for us to begin to curb and control legislation inimical to our national prosperity is at the primary and at the polls and not in our halls of legislation or in our courts.

When will we American business men awaken to the fact that the handicaps which are steadily being imposed upon us are simply the results of a political and industrial revolution already under way because of our failure to recognize that the governing of our country is just as much our business as is dollar making?

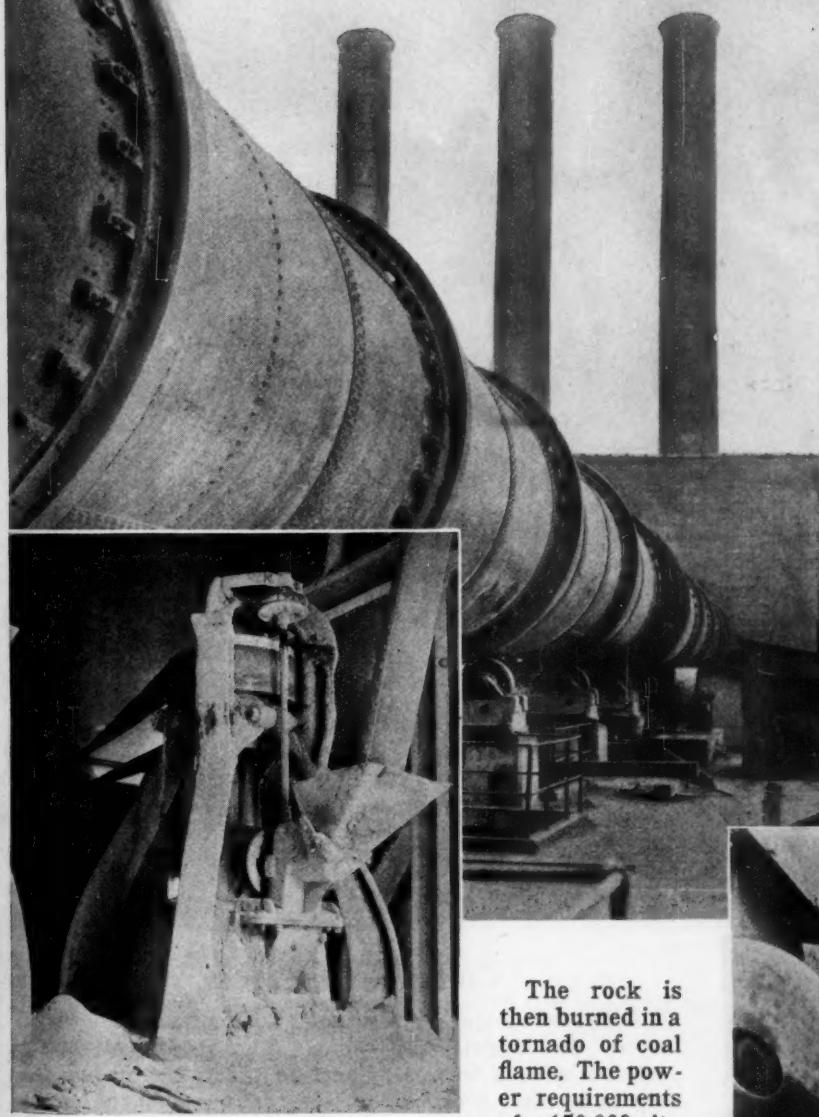
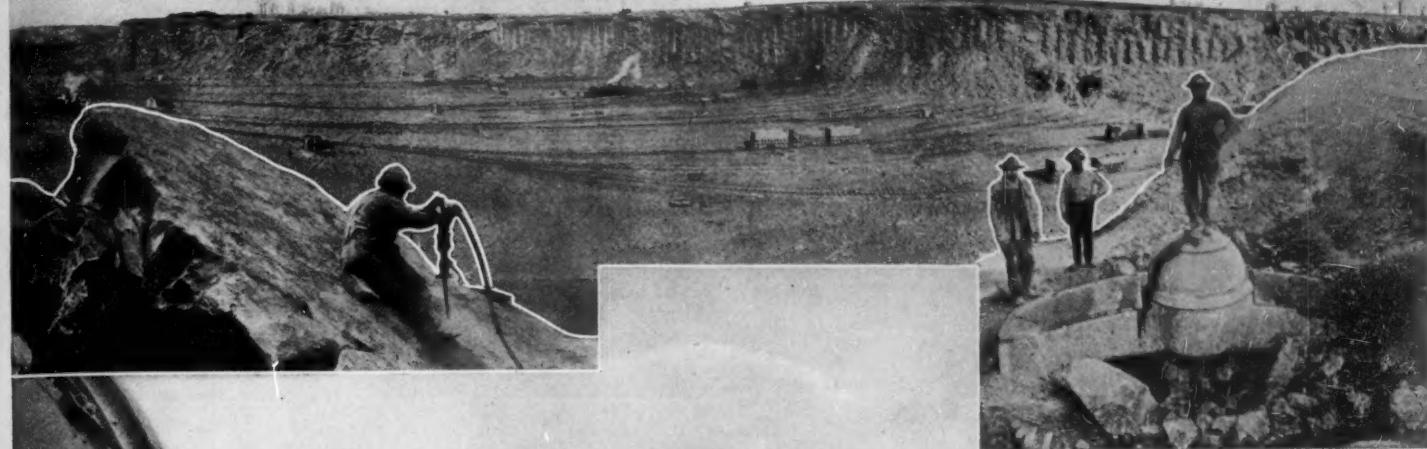
Even now, it is not too late for us to stem a tide that, if left unchecked, will, more

and more, handicap us economically and submerge those who are to come after us.

Yes, we business men still have it within our power to organize not only the big, but also the little business men of the nation; to gain the confidence not only of our employes, but also of the public at large; to formulate and circulate through the press a constructive rather than a destructive public opinion; to use our personal influence before and at the primaries and on election day in the selection of proper representatives and then to see to it that those representatives support only measures designed to maintain and perpetuate the traditions and institutions which the founders of this nation, and those who came after them, worked for, fought for, and even died for.

If we business men would only spend as much time and money in upholding the principles of our Government as is being spent by those who are insidiously trying to overthrow those principles, there would be little standing room left for the radical now so actively at work.

# PORTLAND CEMENT



population are needed for the kilns and grinders of a single cement plant.

Railroads, shipping and makers of machinery all minister to the needs of this giant industry. The textile mills thrive because 300,000,000 cotton sacks are needed to ship a year's output of cement from the filling machines (at right).

Pictures by: Atlas Portland Cement Company, Superior Portland Cement Company, Universal Portland Cement Company, Marquette Cement Manufacturing Company and Vulcanite Portland Cement Company.

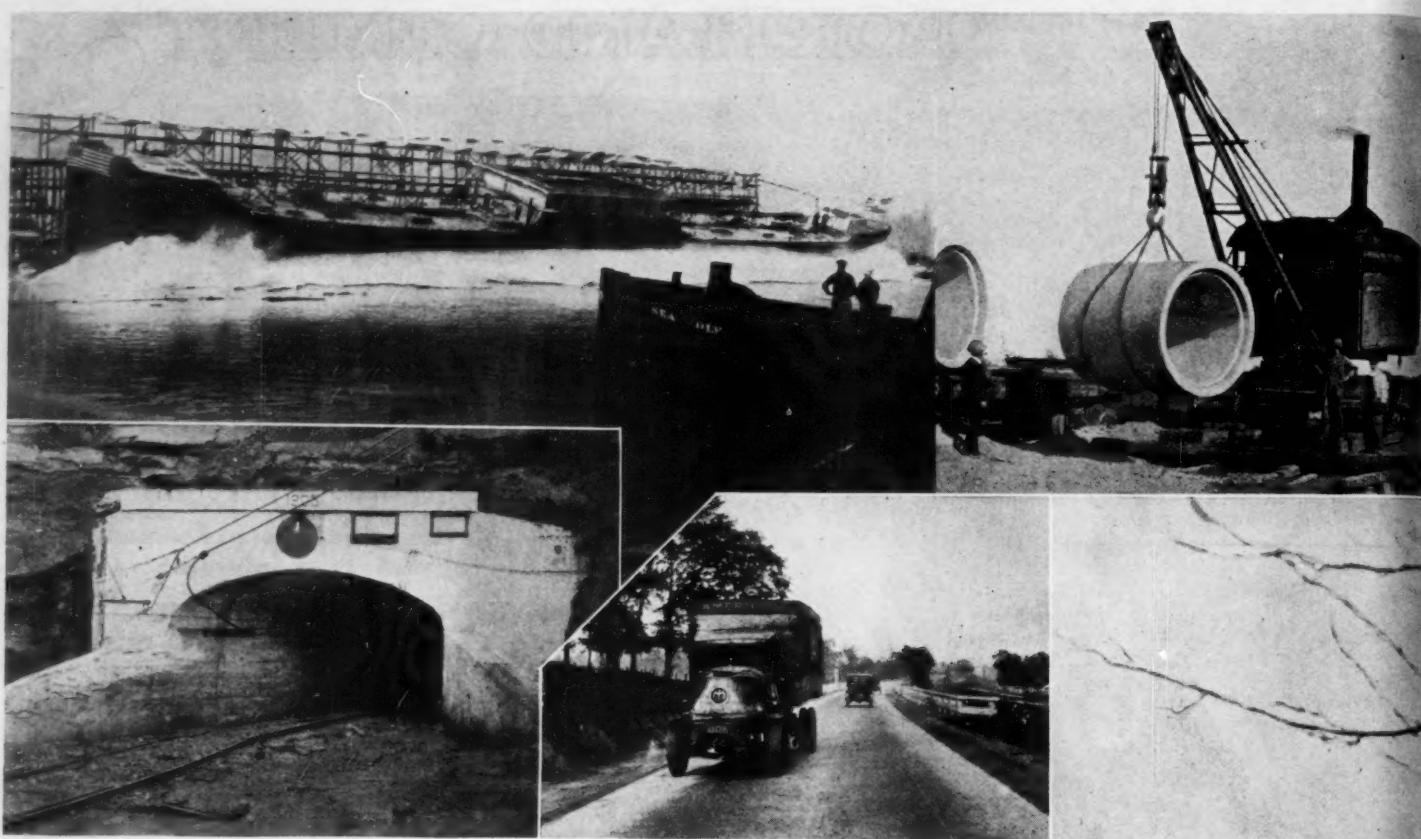
## Back of Cement

Cement-making is a new foster father of industries. It shatters mountains and the makers of explosives rejoice. It crushes the rock and the coal mines flourish.

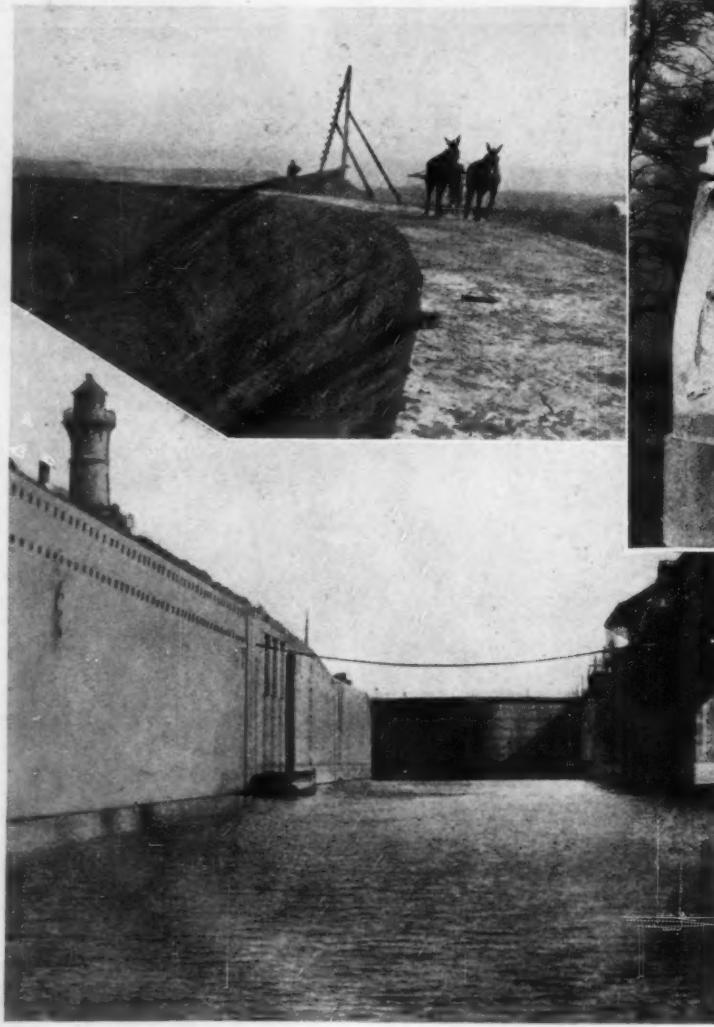


The clinker is cooled, carried to storage bins and ground. The makers of machinery and the steel industry prosper on the devices purchased.





Concrete ships are made for speed in building. Concrete lessens danger in mine tunnels.



### Concrete Examples

Concrete oil-storage reservoirs are built in sizes that dwarf the biggest steel tanks. The one shown here holds a million barrels. Concrete affects the oil industry in another way, as concrete roads reduce the consumption of gasoline.

Concrete pipe will stand high pressures with a minimum of leakage.

"Building for a thousand years" is a rapid process. The use of concrete saved millions of dollars' worth of time in the construction of the Panama Canal.

These are some of the reasons why the industrialist finds it worth while to build with man-made stone.

Pictures by: Portland Cement Association; U. S. Bureau of Mines; Atlas Portland Cement Company; Lock-Joint Pipe Company.



A host of railroad structures, including coaling stations, are built of concrete. Like concrete factories they may be rugged or artistic.

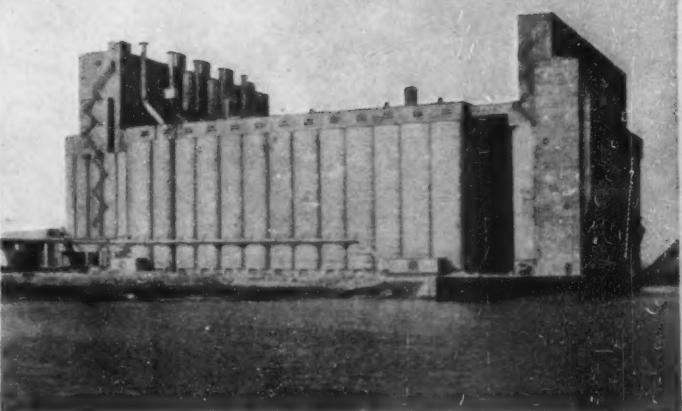
### Industry and Art

In the balance sheet of every industry that is conducted within four walls, two items generally loom large—maintenance and depreciation. Concrete construction cuts them both to a minimum. Concrete has made good in fires and earthquakes, storms and explosions.

And now the artist is turning to concrete. The Fountain of Time, modeled by Lorado Taft and molded in concrete by John J. Earley, is a monument that marks a new sculpture. Taft also modeled the great Black Hawk.

The concrete setting of modern agriculture ranges from fence-posts to silos, and from troughs to irrigation reservoirs and canals. Concrete elevators are vermin proof.

Pictures by: Portland Cement Association; Fairbanks, Morse & Company; U. S. Reclamation Service; Armour Grain Company; Atlas Portland Cement Company; John J. Earley.





### Placing Concrete

For pouring concrete piles steel forms are set. The forms built up are driven with pile-drivers.

Steel forms are used to mold concrete aqueducts.

The cement gun applies mortar in places hard to reach.

The concrete mixer is a substitute for platform and shovel.

Tower-chuting plants hasten the construction of skyscrapers.

Pictures by: Blaw-Knox Co.; Portland Cement Assn.; Lakewood Engineering Co.; Raymond Concrete Pile Co.; Cement-Gun Co.; Alpha Portland Cement Co.

# No Great Need for Immigrants

IEWS on immigration range all the way from those who would admit everybody to those who would admit nobody. The number at the "everybody" end of the scale has dwindled almost to the point of disappearance. The number at the "nobody" end is a considerable body. Certainly we may say that the great majority of us accept the principle that immigration must be sharply restricted and that we cannot restrict by merely taking the first hundred or the first hundred thousand who apply and then shutting the doors.

These things are elementary, but drafting a bill which will carry out the principle of restricted immigration is full of difficulties. I believe that we have taken a long step forward in the bill technically known as H. R. 101, which has just been introduced into the 68th Congress and referred to the Committee on Immigration and Naturalization, of which I have the honor to be chairman. This bill if passed may be cited as the "Selective Immigration Act of 1924."

Although it bears my name, it is the composite work during the two years of the 67th Congress of the majority members who favored immigration, aided of course, by the minority members who were opposed to severe restrictions but who were eager to help with the provisions which make for humane operation of the provisions of whatever immigration law may be enacted.

The new bill provides that all socially inadequate aliens shall be weeded out at the source and that the burden of proof as to inadequacy shall be placed on the alien rather than on the United States.

For the purposes of selection, all newcomers to the United States are divided into three general classes, "non quota," "quota," and "quota relatives." The first includes husbands, wives, fathers, mothers or unmarried minor children of American citizens, students, clergymen and some others. They do not count in the quotas.

A "quota relative" immigrant is the husband, wife or unmarried minor child of an alien who has been legally admitted to the United States, lived here two years and taken out first papers.

The third class includes all others; that is, the rank and file coming to make a new home here. The number of those who may come in under the quota classes is thus defined:

The term quota, when used in reference to any nationality, means 200, and in addition thereto two per centum of the number of foreign-born individuals of such nationality resident in the United States as determined by the United States census of 1890.

The full quota under this proposed law might then be four per cent of the residents of that nationality as shown by the census of 1890—two per cent of relatives, husbands, wives and minor children of aliens here two years and having first papers; and two per cent of newcomers classed as quota.

This provision for admitting families of aliens already here provides that all applicants for admission shall fill out a questionnaire to be secured from the United States

OUR PRESENT immigration quota law expires in July of this year. New legislation must be adopted, and the writer of this article, as chairman of the House Committee on Immigration, will have much to do with shaping it.

Here he tells his views, some of which have found their way into a new bill. His associates have their opinions, and some of them we shall print next month.—The Editor.

By ALBERT JOHNSON

Chairman of the House Committee on Immigration

consuls, and that relative quota certificates shall be refused to those whose answers show that they are not admissible. Furthermore it is provided that if the consul suspect the statements made by the prospective immigrant, he may require the steamship company to put up a cash bond of \$1,500, to be forfeited if the immigrant is refused permission to enter the country.

Aliens, if admitted to the United States, are given parchment certificates of arrival, with photographs, finger prints and full description attached; and duplicates of these certificates are retained by the government for naturalization uses later.

## No Law Will Please All

THE BILL as I have outlined it here is sure to provoke criticism. That is to be expected for any bill dealing with a highly controversial subject, and few subjects can stir more argument, more difference of opinion, than immigration. The attacks on the bill as we have drafted it are coming and will come largely from these sources:

1. Those who believe that the bill is not sufficiently restrictive.
2. Those who believe that the bill will not admit enough common laborers to do the rough work of the United States.
3. Those who, while pretending to favor restriction, really want anybody and everybody except the insane, the criminal and the diseased, so that they may proceed to reap dividends from their particular lines of endeavor, whether the lines be mills, factories, steamships, newspapers of various languages, or the like. I must add to this group those who live by the every-day exploitation of the newly-arrived alien, including some expressmen, some bondsmen, some lawyers, common crooks and others.
4. Those who for religious, racial or family reasons desire more of their own to be residents of the United States.
5. Those of international mind, who think that migrations should not be impeded except possibly from China, Korea, Japan and India.
6. Those who have been led to believe that the United States can go throughout the world handpicking bricklayers here, plasterers there, gardeners elsewhere and farmers at another place, and bring them, without thought of their families, to our States—in

other words, selection, distribution and supervision.

I have put in the first class of those who will attack the bill the men who feel that the bill is not sufficiently restrictive. These include, I believe, nearly, if not quite, half the members of the 68th Congress. Many of them feel that we should as nearly as possible suspend immigration for five years, or at least until we have had time to clean house, to balance our books, as it were.

At the other extreme are men who feel, some selfishly and some unselfishly, that there is a real and existing need of labor in this country. In all discussions of immigration there crop out in one form or another these questions:

Are we really in need of workers? Is there such a shortage of labor, either skilled or unskilled, in this country as to justify going abroad to fill the gap?

To these questions I would make this answer: that in my opinion the situation has been exaggerated. There are high- and low-pressure areas of labor, but there is no real permanent undersupply. I should say that there has been and may be a shortage of convenient labor rather than a shortage of actual man power. But that lack of immediately handy labor calls for skill in readjustment rather than dipping into supplies from abroad.

One circumstance that leads me to believe that there is no basic shortage of labor is the way in which the steel industry seems to have been able to adjust itself to the shift from a twelve-hour to an eight-hour day without serious trouble.

Whatever difficulty there may have been in securing needed labor has been, of course, accentuated by war and post-war conditions. It is nearly ten years since the German armies marched into Belgium, and since that time there has been an almost complete stoppage of supplies of low-price labor. But it must not be forgotten that in that time we have had an increase of 10,000,000 births in this country.

What I have said applies largely to unskilled labor. As to skilled labor, I see no reason why we should not take care of that demand from our own man power. It is probably true that the need of skilled labor in the sense of individual craftsmanship is not growing with our population. Machines are supplanting men.

A good deal has been said about individual selection of the immigrant. In effect the proponents of this theory say that we might determine our immigration possibilities, be it 100,000 or 400,000, and then reach out and gather there one and there one until we had taken Europe's best physically and mentally. All that is fantastic. There stands in the way our whole treaty system. Moreover there is the question of assimilation over here. A man of one race might be individually superior to a man of another country and yet a less desirable citizen since his political ideals and his civic training have been widely different from ours.

It is well to remember that we are importing neighbors, and future citizens, not merely laborers.

# The NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington

January, 1924



## Wrongful Means to a Rightful End

THE MEANS used may cause difficulty with the Sherman Act even when the purpose which is sought is outside federal jurisdiction. That was the effect of the federal district court's decision, in November, in the case brought by the Department of Justice against the Industrial Association of San Francisco.

According to the court's own description, this is an association which has undertaken to put "into effect and maintain what by them is designated the 'American Plan' in the building industry in San Francisco and some of its neighboring counties. The American Plan contemplates the employment of union and non-union men in equal proportions with a non-union foreman on each job."

With the merits or demerits of the plan the court said it had nothing to do, as the plan in itself did not contravene any federal law. The court then came to consider the methods which were used and found that a so-called permit system stood out prominently. Under this system a contractor could not purchase building materials from members of the association unless he obtained a permit, and to get a permit he had to pledge himself to use the American Plan. The materials were largely lime, brick, sand, cement, and other materials produced within the state.

So far, the federal court said, the Sherman Act did not come into play; for there was no restraint on interstate commerce. If any law was broken it would have to be a state enactment. The court held, however, that some materials originating outside the state had been subsequently declared to be under the system, and that through a discrimination between "good" and "bad" plumbers there was effect upon plumbing supplies made in other states; for although a plumber might place his orders with local dealers the goods were often for large contracts shipped directly.

A dissolution of the organization, such as the Department of Justice had asked, the court did not consider was required by the circumstances. The court said it had no desire to go farther in curbing activities than was necessary to protect interstate commerce. It therefore ordered that permits should not be used in connection with the purchase of materials or supplies produced outside of California and coming into the state through interstate commerce and that no action should be taken toward discouraging persons outside the state from shipping goods into the state.

## "Say It With Music"

THE TREASONS, stratagems and spoils of war are giving place to the concord of sweet sounds on the shores of the Adriatic, whose waters seem to possess the happy faculty of reconciling the artistic and the active elements in human life. After the poet-politician who has been making Fiume fume we have the merchant-musicians who recently serenaded Trieste when the Viennese Merchants' Choral Society inaugurated in that city a concert tour of Italian commercial centers. According to the Austrian consul general: the fact of Trieste being

chosen as the first stopping place is of itself sufficient proof of the earnest desire of Viennese industrial and commercial circles again to link up and intensify old connections and to open up new ones with their colleagues of this great seaport town which is the natural outlet for the hinterland in its work of expansion in the Mediterranean and the Orient.

Report has it that the concert, which was attended "by the Mayor, the Prefect, a large number of the Consular Corps and all the personalities of the Trieste commercial world, was a marked success." A resumption of former relations with the seaport would be distinctly advantageous to Vienna and it may be that the Austrian lyre, by wooing the Italian lire (we know how to pronounce it!) may reconcile the long-standing commercial discords between the two countries.

Music hath charms, and this initiative affords the germ of an idea for some of our own business boosters. We may expect to hear that the Oshkosh Orpheans are joining forces with the Winnipeg Warblers in close harmony along our Northern frontier, or that the Guadalajara Glee Club and the Sabine Songsters are raising the refrain "Oh blessings on the falling out that all the more endears."

## A Merchant May Buy Where He Will

A MERCHANT'S right to tell a manufacturer he will cease to deal with him was upheld by the Supreme Court on November 28. The merchant can assign as his reason that he will not buy from a concern that sells to a kind of competitor he does not like, too—always provided, of course, he is not acting in concert with other merchants but is proceeding upon his own initiative and in accordance with his own judgment.

The Federal Trade Commission had found fault with a wholesale grocer because he notified a manufacturer he would not want any more goods so long as the manufacturer sold to a certain concern. The grocer went to court and had the commission's order set aside. The commission appealed to the Supreme Court, which thought so little of the commission's point of view it indicated it did not need to hear the grocer's lawyer.

## Consent Decrees Not Decisions

A CONSENT decree is exactly what the words imply. It sets out the terms upon which both sides of a case are willing to say "quits." It does not establish any legal principles; for legal principles are enunciated by the courts only after there has been a contest. The very nature of a consent decree prevents a contest.

The Department of Justice in the last year or two has been a party to several consent decrees under the Sherman Act. From the department's point of view, these decrees establish conditions which are beyond the possibility of objection. If the cases went to trial, the courts might not go so far as the department. On the part of the defendants, they may not be so wedded to the practices which the department has called into question as to care to support them through prolonged litigation.

The latest consent decree is in a case brought by the Department of Justice against an association of tile manufacturers. The decree has obtained most attention because it undertakes to tell the tile manufacturers, not only what they cannot continue to do collectively, but also what they may undertake in the future jointly as an industry.

Besides, in charting an official future course for associated tile manufacturers, the Department of Justice has undertaken to deal specially with statistics. Through the Consent Decree it has said that the tile manufacturers as an association enterprise could gather statistics only upon the request of a government agency, that statistics gathered upon such a request must be

confined to data on production, shipments, stocks on hand, and prices, and that the statistics so collected must not be distributed by the industry itself to its members but only turned over to the government agency to do with as it may see fit.

To be sure, such an undertaking on the part of the Department of Justice may well cause many people to sit up and take notice. Such people may not all be in private life, either. The department has in effect laid its orders, with respect to the tile industry, not merely upon the manufacturers, but also upon government agencies like the Department of Commerce and the Federal Trade Commission, which might have occasion to seek statistics regarding the industry, and might have their own notions regarding what they wanted. As a statistical censor of other government departments the Department of Justice might play a very entertaining rôle.

So far as other industries have sat up and taken notice of the consent decree in the tile case, they should remember that a decree is moulded to meet the evils it is intended to prevent for the future. Consequently, the allegations of the petition have a lot to do with the nature of the decree. They may be of such a kind that the decree, to guard against continuation of an improper situation, may forbid things which under other circumstances the courts would say are not in themselves unlawful. Certainly, the consent decree in the tile case does not in and of itself bind any persons who were not defendants in the case—unless it be government agencies such as have been mentioned above, and who seem to have been dragged in willy nilly.

### Italy's Invisible Exports

THE TOURIST industry in Italy has a semiofficial organization, established by law to develop the tourist industry along modern lines. All this is in recognition of the importance of tourists to the national economy of Italy.

In 1922, this organization now estimates, at least 567,000 tourists visited Italy and left behind something like 2,500,000,000 lire. In addition, Italians who were abroad were estimated to have sent home 2,800,000,000 lire.

From these two sources of "invisible exports" Italy came pretty near overcoming her adverse trade balance of 6,400,000,000 lire for 1922. In fact, it was probably overcome when receipts from Italian investments abroad were taken into the reckoning.

### The Transportation Conference

THE TRANSPORTATION Conference of the National Chamber meets in the week of January 7. To the ninety-odd men from every walk of life who contributed to the work of six committees whose reports will be before the conference, President Barnes will add perhaps as many more. The whole body will be truly representative, both by residence and by occupation, of American economic life as it is concerned with transportation. There will be men

from New England and from the Pacific coast, men who are by training lawyers and engineers, as well as railroad presidents and railroad workers.

There is every reason to hope that from these meetings will come a national programme for American transportation by rail, by water and by road.

### You Can't Both Take Away and Tax

TAXABLE income in Russia is pretty scarce. After wiping out private capital, the Soviet government has turned around and tried to levy an income tax. By scratching, the taxing officials have now found that 3 per cent of the city dwellers are taxable on their incomes, but that the average income for almost nine-tenths is under an equivalent to \$1,000 a year. Clearly, if one wants revenue from income taxes, he cannot begin by taking away private property.

### The Lesson of Revenue Taxes

BUSINESS conditions in October were well above conditions in October, 1922, according to the testimony of the federal tax-gatherer. Receipts from the taxes on tobacco were 25 per cent larger than in October of last year, receipts from messages by telegraph and telephone were almost 30 per cent greater, and even playing cards and oleomargarine increased their yields.

Increases were not uniform, however. The tax on automobile trucks in October, 1923, produced more revenue by 13 per cent than in October, 1922, and there was an increase in the amount collected from automobile accessories and tires, but there was a falling off of 38 per cent in receipts from the tax on automobiles themselves. Receipts from cameras and films were much less, as well as from firearms, but carpets and rugs went up handsomely.

For some fluctuations it is hard to account, off hand. For instance, soft drinks showed a decline as a source of revenue, whereas carbonic acid gas rose by 40 per cent and better.

Between July 1 and October 31, all internal revenue taxes, including income taxes, produced \$93,000,000 more money for the Treasury this year than was produced by them in the same period of last year.

### The Wide-Spreading Radio

RADIO has not yet become prolific of statistics. The Federal Trade Commission has reported, though, that the principal manufacturer of vacuum tubes in 1921 received orders for 112,500 tubes, in 1922 for 1,583,000, and in the first nine months of 1923 for 2,931,000. Such figures should convince any doubting Thomas that the radio has now become a popular institution.



# Cutting Down the Price Spread

*The Advertising Manager's Broadening View of Distribution*

A MAJOR — perhaps the major — business problem of today is lowering distribution costs. More and more the public is inquiring into that phase of its living costs, and more and more that inquiry must be met.

Advertising as a powerful agent in distribution cannot stand unquestioned. If it is to carry on, it must convince not only the seller that it is in his interests to advertise, but the buyer that he, too, is better off. In effect, we cannot justify advertising by merely showing that more goods can be sold; we must show that poor goods can be sold more cheaply.

But after all, advertising is but one item in distribution costs. It is, so far as the advertiser is concerned, means, not an end. To him it is one method of selling, of merchandising, and he must constantly keep an open mind to its failures as well as its successes. He must watch it along with all the other means he employs to dispose of his goods and to lessen his costs of selling.

It was with this in mind that the Association of National Advertisers devoted its recent annual meeting to a discussion not alone of advertising but of distribution as a national problem. The association is something more than its name implies, for its members are not merely advertising men. They might be described as sales managers who sell through advertising but not through advertising alone.

## Seeking Light on Factors

ITS MEMBERSHIP is made up of concerns which have or look for a national market, and its field has widened with years. Its members are seeking light more and more on all the factors of distribution.

I have said that the national advertiser is finding himself increasingly concerned with the public state of mind as to distribution in general and advertising in particular. Our buying public, I think, is far more familiar with the argument that mass production leads to lowered costs of manufacture than it is with the equally logical argument that mass production must depend on mass consumption and that one potent means of creating that consumption power lies in mass selling through advertising. It is a circle but by no means a vicious circle.

We are not unused, also, to the argument that one of the advertising evils lies in its stimulation of buying power, in the impetus it gives needless spending. There may be some truth in that, but isn't there another side that even if advertising has had something to do with "the high cost of living," it has led, also, to "the high class of living?"

O. D. Street, formerly general manager of distribution for the Western Electric Company, put it forcefully when he said:

Advertising has done more than anything else to raise the standard of living in this country, and that higher standard of living has of neces-

WE HAD ready as the fourth article in our second series on distribution one by Representative Sydney Anderson. We have held it a month to make way for Mr. Thomson's timely discussion of how the national advertisers are dealing with distribution.

One paragraph from Mr. Anderson's forthcoming article is so pertinent to what Mr. Thomson and his associates are doing that we quote it here:

It costs less to sell a standard commodity than one which is not standard; it costs less to sell few varieties than many; it costs less to sell large quantities than small quantities; it costs less to sell a commodity that has a continuous and established demand than one which has a seasonal demand; it costs more to sell a commodity for which consumer demand has not been definitely established than one for which consumer demand was already established.

Mr. Anderson wrote this about cooperative marketing, but it is an effective statement of what legitimate advertising seeks to accomplish.

By P. L. THOMSON

President, Association of National Advertisers

sity increased the cost of living. The demands for a reduction in the cost of living are never coupled with a desire to reduce the standard of living.

This is a point of view which might well be brought home to the American public when it seeks, and professes to find, in advertising a cause of high living costs.

But while we may well justify advertising as a sound and economical means of reaching a wider market, while we may with justice tell the consumer that advertising is not a burden borne by him, we need not deny that there is waste in advertising; nor can we justify waste in that branch of selling any more than we can justify waste in retailing or in transportation by railroad.

There has been, however, much loose talk about advertising waste, one along the line upon which I have just touched—that of waste to the consumer in increased costs—the other along the line of waste to the advertiser through misdirected effort.

## All Wastes Add to Costs

THIS latter waste must of necessity be a weight on selling cost. An advertisement that does not produce results is a burden that must be borne. It has not the justification of the successful advertisement, that it helps to reduce costs by increasing production. Yet advertising is an intangible thing, and its results cannot always be reckoned in immediate dollars and cents.

A notable advance is being made along this line, and the men who are using advertising as a means of selling are showing an appreciative interest in the laboratory work of such institutions as the Amos Tuck School of Administration and Finance at Dartmouth College, the Harvard School of Business Administration, and others. Professor Starch, of the latter school, talking to the National Advertisers, gave this impressive illustration:

"Of a series of 15 advertisements for a player piano, the best one brought 258 replies,

while the poorest brought one reply."

Where the best and the worst are so far apart, it seems plain that the possibilities of waste are very great. Methods of testing advertising are being worked out with some interesting results.

Professor Starch points out that the idea of testing by questionnaire and by field investigation a proposed advertising plan is now commonly accepted. But he says it is necessary to go beyond that:

What is equally necessary is to test the advertisements based upon a questionnaire investigation. The questionnaire investigation may show that taste or health is the strongest appeal for a given food, or that style or wearing quality is the strongest point for shoes; but it will not show what the most effective presentation of the appeal may be. It will not

show whether by picture or text or by what kind of a picture or by what phraseology of text the point may be presented most effectively. Tests with the proposed advertisements themselves are necessary to determine these points. This statement is fully borne out by several cases in which extensive questionnaire-field investigations were made, the results of which showed certain points as plainly the outstanding features to be emphasized in the appeals.

Thus, scientific methods, applied to the numerous problems of advertising, promise to make advertising more effective and to put it on a more economical level.

## Too Many Make Same Article

ALL THROUGH the work which the Association of National Advertisers is doing, runs the thought of lowering distribution costs, not alone by advertising, but in other ways. Among the things that contribute to the high costs of distribution are at least two which no one can remove and which, presumably, no one would wish to remove—the complexity of modern life, and the American desire for individual advancement. Our great-grandfathers, who dealt with themselves and their neighbors—the farmer of a few generations, who lived almost entirely from his farm—had no problem of distribution. The second factor I have mentioned was thus touched on by Mr. Street:

We all feel that distribution costs would be lower if fewer factories made the same article and fewer middlemen and retailers handled it. However, in pursuance of his inalienable rights the American citizen will continue in his desire "to go into business for himself."

Such an ambition is an industrial asset when the individual possesses ability as well as the ambition; but actually, in at least nine cases out of ten, this tendency is an industrial liability, because the ability to make good is not a part of the man's working equipment, and others bear the cost of his errors.

Excessive, wasteful competition will in a great part be done away with when on the one hand manufacturers find that there is a difference between being able to make an article at a low factory cost and being able to distribute that

GREATER COMFORT—GREATER SPEED—GREATER SAFETY—GREATER PROFITS

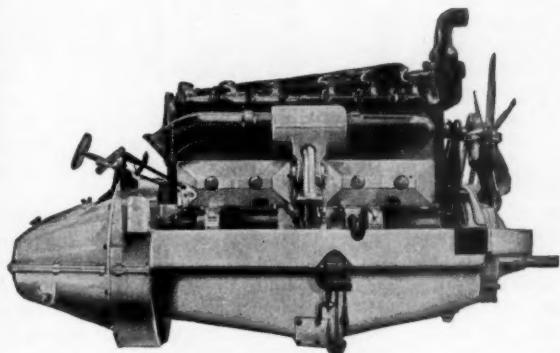
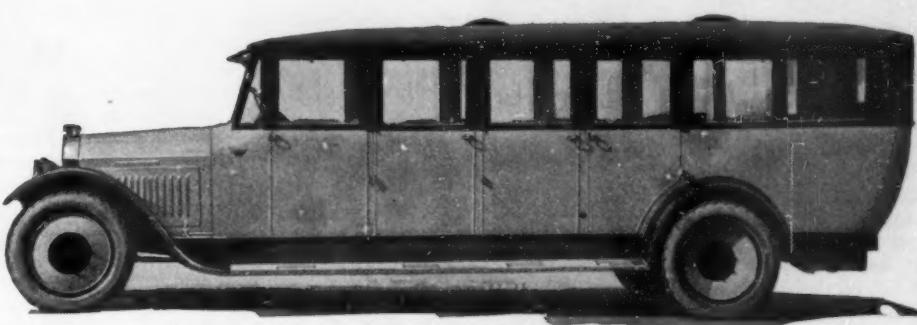
# Pay for This Modern Pierce-Arrow Bus Out of Its Earnings—Month by Month

Standard Chassis

**\$4600**

for 196-inch wheelbase,  
\$4750 for 220-inch  
wheelbase, at Buffalo. In-  
cluding starter, battery,  
generator, solid tires  
(pneumatic tires optional  
at extra cost), electric  
lights and bumper.

Terms if Desired



## The Pierce-Arrow 6-Cylinder Bus Engine

The silent Dual-Valve, Dual Ignition Pierce-Arrow Bus Engine develops a maximum brake horsepower of 100 at 2500 revolutions per minute. It has a remarkable "getaway" and is so flexible that gear-shifting is reduced to a minimum.

The low-hung chassis has an unusually short turning radius. The chassis will accommodate any standard 25-passenger, pay-as-you-enter, wood or steel body, or the de luxe type body. Speed of from 45 to 50 miles an hour is easily maintained, if desired. In congested traffic, the engine will throttle down to an unusually slow pace in high gear and will accelerate powerfully. The bus is propelled by an inverted worm gear drive.

The modern Pierce-Arrow Bus is primarily a money-earner. It was designed solely and especially for motor bus operation. It is not an adapted or converted truck; not an elongated passenger car. It was developed to meet the four great demands of modern motor bus operation—comfort, speed, safety and economy.

You can buy the modern Pierce-Arrow Motor Bus on liberal terms. This sound business practice is endorsed by the Pierce-Arrow Finance Corporation, a Pierce-Arrow banking institution, because the earning ability of Pierce-Arrows is well known.

Write us, or ask the nearest Pierce-Arrow distributor for details.

We will gladly give you a demonstration of the Six-Cylinder Pierce-Arrow Motor Bus at the factory.

THE PIERCE-ARROW MOTOR CAR COMPANY  
Buffalo, N. Y.

# Pierce-Arrow

article at a profit, and when manufacturers and distributors learn the difference between a customer and a profitable account.

We need a distribution cost-finding system to teach us these lessons.

There are wastes in selling which are sure to occupy increasingly the attention of manufacturers and distributors. To quote William R. Bassett, an industrial engineer:

Distribution, that is to say selling, is done nowhere nearly as economically as manufacturing. The factory and its methods have in many cases been carefully studied and the most efficient procedure adopted, but selling is still largely in the Dark Ages.

#### Joint Sales Offices Suggested

AMONG the things that Mr. Bassett drove home to the attention of the national advertisers' group and described as wasteful was the unnecessary branch office. "A salesman in a city distant from the plant makes a good record," he said. "Then he feels that he needs the dignity that the title 'district manager' lends. A district manager needs an office, so the expense of rent, clerical help, stenographer and stationery is incurred. That is bad enough; but usually it is found that sales forthwith fall off, because the office provides a comfortable loafing place. Millions of dollars are unnecessarily spent on branch offices."

Another suggestion for cutting down distribution costs is that non-competing manufacturers should cooperate and run joint sales offices, so that "a single salesman could sell the products of a half-dozen non-competitors whose product is handled by the same retailers."

The question of multiplicity of selling agencies runs along many lines. We have heard many times that there are too many retailers; but there is one question that is less often answered, and that is: Are the number of retailers increasing in proportion to the population? In other words, if we assume that there is an abnormal situation, that the country is overstocked with retail stores, is that a condition that is growing worse or one that time is tending to better. To that question Dr. Paul H. Nystrom, Director of the Retail Research Association, has undertaken to find an answer. He points out that under the census of 1920 under the heading of occupations, there were 1,328,000 retailers, while in 1910 there were 1,195,000, a 12 per cent increase as against 15 per cent increase in population. Further Dr. Nystrom explains:

The increase in number of dealers has not kept up with the increase of population since 1890. While every ten-year period has shown an increase in the number of dealers, that increase has not been in the same proportion as the increase in population. But the increase from 1910 to 1920—that is, this 12 per cent increase that I have just mentioned—was a larger increase than in any ten-year period before, back to 1890.

And I take it that that must be due not to any well-defined trend of increase in number of retailers, but rather to the fact that the census

was taken in June, 1920, at the very peak of the buying—good business period, at least, as it was sized up—and that there were a number of people who were rushing into the business at that time and who were counted, but who have since dropped out, and that there were new lines of business being established at that time that had not entered into the count of the number of retail dealers before. So that, if anything, I don't think the increase of 12 per cent represented a normal increase, but that in another ten-year period, if the trend that has been continuous since 1890 should continue, we should see only an increase of about half the percentage of the increase in population.

These are some of the conclusions of Dr. Nystrom as to the future developments in retailing:

1. That mail-order houses are not likely to enjoy again the high ratio of increase in volume of sales which they did before the war, the factors tending to hold back their development being good roads, the automobile, easier means of communication, and the consequent ability to buy standard merchandise at reasonable prices in the nearby town.

2. That the volume of chain stores is likely to increase as that system of marketing has come to be recognized as having a real place in efficient distribution and is not looked upon any longer as a menace to the small dealer which it was considered a few years ago.

3. That department stores are not likely to increase in number in the retail districts of our great cities but are more likely to develop in the outlying shopping centers, and that here too the automobile is exerting an influence because of the increased difficulty of patrons of these large downtown stores driving in to shop because of more rigid traffic regulations, parking facilities, etc.

#### The Uniform Price Problem

COUPLED with these questions of agencies of selling comes naturally the whole policy of uniform prices, a subject to which the national advertiser is constantly giving more attention. The chain store, the mail-order house, the department store and the shop dealing in but one kind of goods, all offer varying services to the buyer. On this point Dr. Nystrom makes this suggestion:

A very considerable portion of the public is interested in each of these kinds of services offered by these various retail channels of distribution. It seems to me, therefore, that account should be taken of the fact that there is a difference in cost of selling, a difference in margin necessary for these different units, different kinds of distributing channels. The difference in service certainly merits a difference in remuneration, and on that account, and just as a passing suggestion, I don't see how a policy of one price to all classes of dealers can be justified. Such a policy is very satisfactory to an organization that desires to sell but one channel and doesn't care particularly whether it gets its distribution through the other channels or not. But if there is a desire to reach that part of the public which deals largely with the other classes of retail channels, then the one price to all won't work.

I realize the drawbacks of making a difference in prices or a difference in policies for different

retail channels. It has been tried, and with a great deal of grief, too, I think I may add, by a great many national advertisers; and it is a difficult thing to have two or three planks in one's sales policy, each one fitting a different channel of distribution. It is a difficult thing to handle through a sales organization, because usually it is a difficult thing to get the salesman to understand even one policy and carry that out effectively. But distribution is becoming more complex, these different channels are there, they are all serving some part of the public in the way that the public wants to be served, and I think it resolves itself down into a problem of how we shall educate our sales organizations so that we may be able to put into effect sales policies that will make it possible to distribute to all of these organizations.

#### Advertising Known as One Factor

WHAT I have written down in the foregoing pages is not offered as the solution of the problems of distribution. It is suggestive rather of the significant broadening point of view of the American business men charged with the responsibility of directing national advertising campaigns. They themselves have come to recognize advertising as one of the useful tools of creating markets for their products or their service—as one of the factors of shortening the road from factory to consumer and decreasing the cost of getting the product from the one to the other, to the end that the consumer may buy to better advantage.

They believe that some measure at least of the critical attitude of the public toward advertising is based upon a misconception of what it is and what it is doing in decreasing the cost of the world's goods. That is perhaps because in the past so much of the public's attention has been drawn to advertising as though it were an end in itself rather than a means to an end.

Fruitless discussions on advertising as an art—advertising as a science—advertising as a profession—extravagant stories in newspapers and magazines about the tremendous amounts of money spent in advertising appropriations—the surprisingly large cost of space in certain media of wide national circulation—tremendous paper salaries paid to ad writers—advertising expositions displaying the mechanical processes of the engraver, the electrotype, color printing, magazine making and all the rest—an atmosphere of magic and mystery about this enormously powerful force—is it any wonder that the public misunderstands and is ready to believe the seller of a non-advertised product who points out that it is cheap because the maker saves all the unnecessary cost of publicity?

#### Public Must Be Taught

WE WHO spend our money for advertising know full well its justification as a legitimate and economical means of building good-will, establishing our markets and providing the service we offer the consumer; but we have a long road ahead in educating the public to a proper appreciation of advertising's place in the economy of things.

Perhaps the foregoing side-lights on what the national advertising manager is regarding as the important aspects of his job may not be without value in this educational process.





# Mighty Expensive Bookkeeping Methods!

Pen, ink, blotter and eraser cost very little to buy—but how expensive they prove when you find errors in your ledgers; when your trial balance is five to ten days late; when your statements are held up; when your bookkeeper is spending nights looking for errors; when you cannot get the figures you absolutely need to manage your business successfully.

How different it is with Burroughs-kept records!

In the first place, a Burroughs Automatic Bookkeeping Machine handles

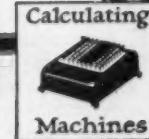
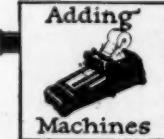
75% of the work automatically—making it possible to handle more work in less time. The new balance is automatically extended and printed with each posting, insuring a quick proof and a ready credit reference at all times.

Since every day's work is proved every day, there is no month-end congestion—no trial balance troubles—no over-time—and customers' statements can be mailed on the first day of every month!

You'll find too,—as thousands have—that prompt, accurate statements will help you make your collections quicker.

*If you live in one of the 205 cities where Burroughs offices are located, call our local office by telephone for a demonstration. Otherwise ask your banker for the address of our nearest office or fill out and mail the coupon.*

# Burroughs



Burroughs  
Adding  
Machine Co.,  
6040 Second Blvd.  
Detroit, Mich.

Please explain how we  
can make and save more  
money in our business by  
better bookkeeping methods.

Name \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_  
Business \_\_\_\_\_

# The Illusion of Federal Commissions

**P**ROPOSITIONS for government regulation of industries are more plausible and insinuating than those for government ownership and management. There are certain functions of supervision and regulation which the Government must perform. In the case of natural monopolies, such as the railroads and certain public utilities, where competition is impracticable and undesirable, there must be resort to supervision by public agencies; but these agencies should be as strictly as possible of a judicial character. Their purpose should be to maintain just and equitable relations between the privately owned agencies and the public whom they serve.

Experience has demonstrated how difficult it is for these politically created bodies to maintain this position. Theoretically these bodies are supposed to have information not available to the general public, to know the authentic facts, and not only to act without prejudice or favor but to inform the public and correct the misrepresentations which so often influence public opinion.

Too often, however, their findings, if opposed to the popular view, are overwhelmed by a storm of protest and clamor; and it is exceedingly difficult for public officials to withstand the pressure of public criticism. It is commonly the case that the persons named for membership on public commissions have been more or less active in politics, and are looking to political advancement.

#### Public Misled by Politicians

**T**HE TENDENCY of these supervisory commissions is to become prosecuting functionaries, looking for opportunities to justify their existence in a sensational way, rather than by quietly working upon the problems of economic organization and development.

Government regulation of railroads has illustrated the tendency of every such function to become involved in politics. It does not stop with regulation by the commission; the railroads are an issue in politics continually, and men make political careers by riding the railroad issue. The public has been misled by such agitation until there is grave danger that government ownership may become unavoidable, through the refusal of private investors to supply the capital continually required for the development of railroad facilities. The right of exercising initiative and judgment has been in great degree taken from railroad executives.

The Government's attempts to regulate markets, as in case of contracts for the future delivery of certain commodities, are based upon the assumption that government officials know what prices ought to be. Interference in the case of sugar this year has been prompted by their judgment that prices were too high, while the Capper-Tincher law

By **GEORGE E. ROBERTS**

*Vice-President, National City Bank*

per acre. Why should we want to produce something which requires twice as much labor here as in a neighboring country?

We have pending at the present time an official investigation into the propriety of permitting the merger of the large meatpacking concerns in Chicago. The merger actually took place a year or so ago. It was the result of the very heavy losses sustained by the packing industry and livestock industry and saved these industries from a crisis that might have had far-reaching effects.

This is a striking illustration of the lack of sympathetic and practical relationship between the Government and business. I do not say this in criticism of the official who is causing the investigation to be made, for he doubtless feels that he has a duty laid upon him, but it is unfortunate that he has any responsibility in the matter. Failure to carry through the merger

would have been a calamity, and in addition to all the other uncertainties that had to be considered in trying to avoid that calamity, was the question of what a government official might think it his duty to do in the premises.

In the investigation of the meat-packing industry by the methods of a prosecuting official, whose reputation and subsequent career depended upon securing convictions, the Federal Trade Commission showed a want of sympathetic appreciation of the conditions and difficulties that attend upon doing business, as well as of the achievements and services of an industry conducted with extraordinary efficiency and with profits over a long term of years so low that they could not conceivably be lower with safety.

#### Scoring Injures Industries

**I**N CONNECTION with the report of the commission upon the beef-packing industry, it is interesting to read the recent report of Mr. Charles J. Brand, long connected with the Department of Agriculture, who was sent abroad in 1923 to study marketing conditions in Europe. Mr. Brand says:

Wherever livestock and meat problems in Europe are discussed, and this is particularly true of England, France and Germany, the scathing criticisms of the American industry in the Federal Trade Commission report are injected into the discussion.

In Europe there is an inability to understand how any governmental agency would so severely condemn an important domestic business, knowing that whatever was said would be used throughout the world against the foreign development of that business on the part of the units thus subjected to condemnation. At least the larger packing interests in Great Britain do not believe more than a small part of the allegations against the American packers. They do not fear them particularly as competitors and they consider such collusion as may be possible as being relatively impotent. As to their power to monopolize in any predominant or even sub-

**L**AST month Mr. Roberts paid his respects to government ownership and management. This month he has something to say of the more insidious form of government entry into business,—regulation, and regulation by commission in particular.

**I**s sugar too high? Let's have a commission. Is wheat too low? Let's have a commission. Is the flow of coal threatened by a strike? Let's have a commission.

**W**hat comes of it all? Sometimes good, often harm, always expense. As Mr. Roberts points out:

**"If government officials were all-wise, the best they could do would be to adapt production to demand,—and that is what the free play of prices actually does."**—The Editor.

was passed at the instance of the Farm Bloc upon the theory that the wheat prices have been too low. In each case there is an attempt to substitute the judgment of government officials for the judgments of actual buyers and sellers.

The commodity exchanges have no influence upon prices except as they afford facilities for buyers and sellers to meet. The argument in behalf of the public interest is all in favor of free and open markets. The presumption is overwhelming that such markets will reflect actual conditions more accurately than politically supervised markets.

The numerous proposals for giving relief to the wheat producers are all calculated to interfere with the natural and beneficial workings of economic law. The entire system of prices is an automatic means of regulating production and of directing labor into the activities in which it is most needed. It is impossible to set up a government system that will be an effectual substitute. Today the price of wheat is being made in world markets by countries that are able to produce wheat more cheaply than it is produced in the United States, chiefly because one-crop farming in this country has reduced the yield per acre in many localities to ten bushels per acre or less, while the average for all Canada this year is 20 $\frac{3}{4}$  bushels to the acre.

#### Interference With Natural Adjustments

**I**S IT reasonable to attempt to make wheat-growing remunerative in this country by governmental assistance against such a handicap as that? Isn't it better from every standpoint that our farmers should accept the lesson and adjust themselves to the conditions? Just now the Tariff Commission is making an extensive investigation into the cost of growing wheat in this and other countries, presumably with a view to determining how much protection wheat-growing should have. The main factor in the cost of production is the yield



## A Career is Born

**I**N A THOUSAND homes to-night a familiar scene will be enacted—a scene simple in its setting, yet dramatic in its enduring significance. For it will witness the birth of a career.

A young man, possibly feeling for the first time the serious responsibilities of home and family, is face to face with the fact that the income from his daily work is not adequate to his needs.

Ambitious to get ahead, yet realizing his own limitations—knowing the need of special training, yet wondering where to get it—half decided on a career, yet none too sure that even his half-choice is best for him—he has hesitated between decision and indecision, hope and discouragement.

Then comes the suggestion of an opportunity that may well make this moment of desire and indecision the most important moment of his life. That suggestion may come through a familiar advertisement, or through the counsel of a friend. But however the interest may be prompted, it brings to him a man qualified by experience to consider his circumstances and to meet his need—the representative in that community of the International Correspondence Schools.

In the quiet of the young man's own home they talk over his problems and his dreams. And out of that talk comes decision—the fire

of ambition is rekindled—the future charted clearly—special training is provided that will develop his natural talent—a career is born.

Yes, to-night—and every night—in a thousand communities throughout the United States and Canada, these representatives are rendering this same service. They have possibly done more than any other single group to carry the benefit of special training to men and women who could not get it in any other way.

And once they have set ambition resolutely upon the road to a chosen accomplishment, they return again and again to encourage and inspire. In every field of business and industry there are men in positions of leadership who will tell you that they owe their success in no small measure to the friendly help and sustained encouragement of a representative of the International Correspondence Schools.

These men have been selected and trained with a serious regard for the importance of the work they are to do. It is natural, therefore, that in his own community the I. C. S. representative is looked upon as a substantial business man making a valuable constructive contribution to the welfare of those he serves.

Five of these representatives have been associated with the International Correspondence Schools for nearly 30 years, 12 of them for

more than 20 years, 50 for more than 10 years, and 164 for more than 5 years. Such a record is striking evidence of the character and stability of the men themselves and of the institution they represent.

By the very nature of his work the I. C. S. representative is equipped to intelligently assist men and women in choosing a career. He is the registrar of an educational institution with 304 courses covering almost every technical subject and practically every branch of business. His greatest desire is to help the prospective student in selecting a course of study which will prepare him for the position he wants in the work he likes best, and lead him most directly to advancement and increased earnings.

He is himself a specialist. He offers advice and judgment based on his service to many men in many circumstances. He is familiar with the needs of industry. He has the co-operation and the confidence of many employers. He comes primarily to serve, and he brings a medium of training available for spare-time study in the home that will develop natural talents, whatever their trend, and help the student most speedily to achieve a satisfying career in business and in life.

He is the architect of a thousand fortunes—because he helps men to help themselves.

### INTERNATIONAL CORRESPONDENCE SCHOOLS Scranton, Pa.

Offices in leading cities of the United States and Canada, and throughout the world

stantial sense, they merely smile and say they will take their chances. On the other hand, it appears quite evident from time to time, without having direct evidence, that as competitors the British companies lose no opportunity to disseminate information, particularly when it emanates from the United States, that is disadvantageous to the American packing companies.

The most notable feature of Mr. Brand's report, however, is his favorable account of the development in Great Britain of the retail meat business through chain stores, operated by British packers who have their own killing plants in South America, Australia, New Zealand and Canada. One of these companies has 2,500 retail stores. The "Consent Decree" which resulted from the report of the Federal Trade Commission and the activities of the farm bloc perpetually enjoins the packers named from operating or being interested in retail meat markets. They never had entered this business, but who knows that this injunction represents sound economic policy? Mr. Brand's observations abroad cause him to suggest that it "may not be in the best interests of all the people."

#### Coal Industry Badly Damaged

THE COAL business probably has suffered most in the last few years from misrepresentation and demoralization, as the result of meddling by government authorities. The achievement of the governor of Pennsylvania in "settling" the anthracite strike by granting the miners an increase of 10 per cent over wage rates established by the commission of 1919, when living costs were at the peak, is one example of how affairs have been messed up.

Since the resumption of mining under the increased costs there have been many outgivings and conferences about the prices of anthracite, with official efforts to compel the railroads to absorb the increased mining costs by lower freight charges and to reduce dealers' margins for the same purpose. The situation is complicated temporarily by a scarcity of coal and the impatience of individuals to have it immediately. They would rather pay a higher price than wait their turn to be supplied at normal rates. No way has been found to prevent the price of any commodity from rising when demand exceeds supply, except by having the Government take over the entire distribution, apportioning the supply at a fixed price. That is an elaborate undertaking, unnecessary in ordinary times and undesirable for a brief period. The Federal Trade Commission has been making an investigation into the prices at which anthracite has been sold, and the reports which it has given to the press have aroused the indignation of producers and dealers, because of their misleading character. They have conveyed the idea that the "coal trust," by which is commonly understood the companies handling the bulk of the production, were charging inordinate prices.

The truth is that the prices of these companies have varied little from what they were last year, except as necessary to cover the wage increase lately awarded by the governor of Pennsylvania. The scarcity of anthracite this year is a continuation of the situation in the fall and winter one year ago, and had its origin in the five months' strike of 1922, the trade having not yet reached normal stocks.

The National Coal Commission, in its recent report, speaks of the policy of the large producers last year in the following terms:

According to the Pennsylvania Fuel Commis-

sion the coal mined by the "railroad companies" and certain independents, over 77 per cent of the total, was sold at \$8.50 or less, these circular prices being adhered to at this time of acute shortage just as in a time of abundance. Unquestionably these large producers might have obtained from the retailers of anthracite during the past winter much higher prices. This commission desires to pay public tribute to the restraint and good judgment displayed by the responsible shippers of anthracite during that trying period.

On account of the small producers having higher costs than the large companies, the Pennsylvania Fuel Commission approved a higher range of prices for them, and in a statement before the Federal Trade Commission last month, Francis R. Wadleigh, former Federal Fuel Distributor, stated that he believed that as much as 90 per cent of the anthracite production was sold within the prices fixed by the Commission. The Trade Commission has produced no evidence to show that the percentage of "premium coal" has been higher in recent months. The Trade Commission indeed has admitted as to the figures it was passing out that "these data apply to only that small part of the production passing through the hands of wholesalers at high premiums," but has urged that these sales were very disturbing because "while often serving as the cause, they more often are the excuse for excessive retail prices charged the consumer."

The National Coal Commission repeatedly says that it is the practice of the large companies to adhere to public circular prices, taking no advantage of emergencies. There is no evidence that they have pursued any other policy this year.

The Federal Trade Commission's reports have to do only with coal passing through the hands of wholesalers, and the National Coal Commission's report shows that wholesalers are a small factor in the anthracite trade. The large companies distribute mainly through their own agencies, and where they use wholesalers do so on a commission basis or with control over the price. Moreover, it says that "except in times of shortage, the prices that the wholesaler can obtain are limited by the prices charged by the big companies."

#### Strikes Raise Costs

THE FACT repeatedly stands out in the long report of the Coal Commission that there never is any trouble about excessive prices for coal, either anthracite or bituminous, for coal, either anthracite or bituminous, except when a shortage is caused by a cessation of mining operations, in other words, when there has been a strike. It is an inevitable result of a strike that reserves are exhausted, a scramble for coal ensues, and all the phenomena of a competitive situation develop. The real problem of the coal situation is how to avoid strikes, but neither the National Coal Commission nor the Federal Trade Commission seriously tackles it. They walk very gingerly around it, and I do not say that they should solve it, but they would do better frankly to face it and admit that there lies the trouble. There is no way to protect the public from the inconvenience and costs that are incidental to a strike. It throws the industry and the entire distributing organization into confusion, and makes higher costs for everybody. These facts must be recognized.

Both the National Coal Commission and

the Federal Trade Commission have given undue importance to resales of coal between wholesalers, treating them as a considerable factor in high prices to consumers, and probably a device deliberately adopted to get more than one profit from a given shipment. A business man will realize at once that there is something extraordinary about a situation in which one wholesaler buys of another. Every dealer will naturally endeavor to get his supplies direct from the source, with no intervening profit, if possible. In time of scarcity, however, when there is not coal enough to go around, dealers will get coal for their customers wherever they can, and pay whatever is necessary if the demands upon them justify it. A competitive system exists.

At such times fixed prices never are maintained. The wants of consumers vary; it is an error to put all the responsibility upon sellers, for buyers have as much to do in making "premium prices" as the sellers. A scramble exists for coal. Frequently scouts are sent to the coal fields to pick up any free coal, and sometimes to ride the cars to their destination.

#### Small Factors Exaggerated

RAILROAD employees have been bribed to expedite the movement of particular shipments; consumers who have coal under contract sell it at a premium; all sorts of temptations are held out to anyone who can control coal to part with it. There is much to be said in defense of "premiums" at such a time. They are the outcome of strained relations between supply and demand, and a method by which a consumer whose needs may be more pressing than those of others can satisfy them. There is no mystery about them, and the idea that higher prices can be imposed upon unwilling buyers by simply passing coal around among wholesalers is too absurd to have serious consideration.

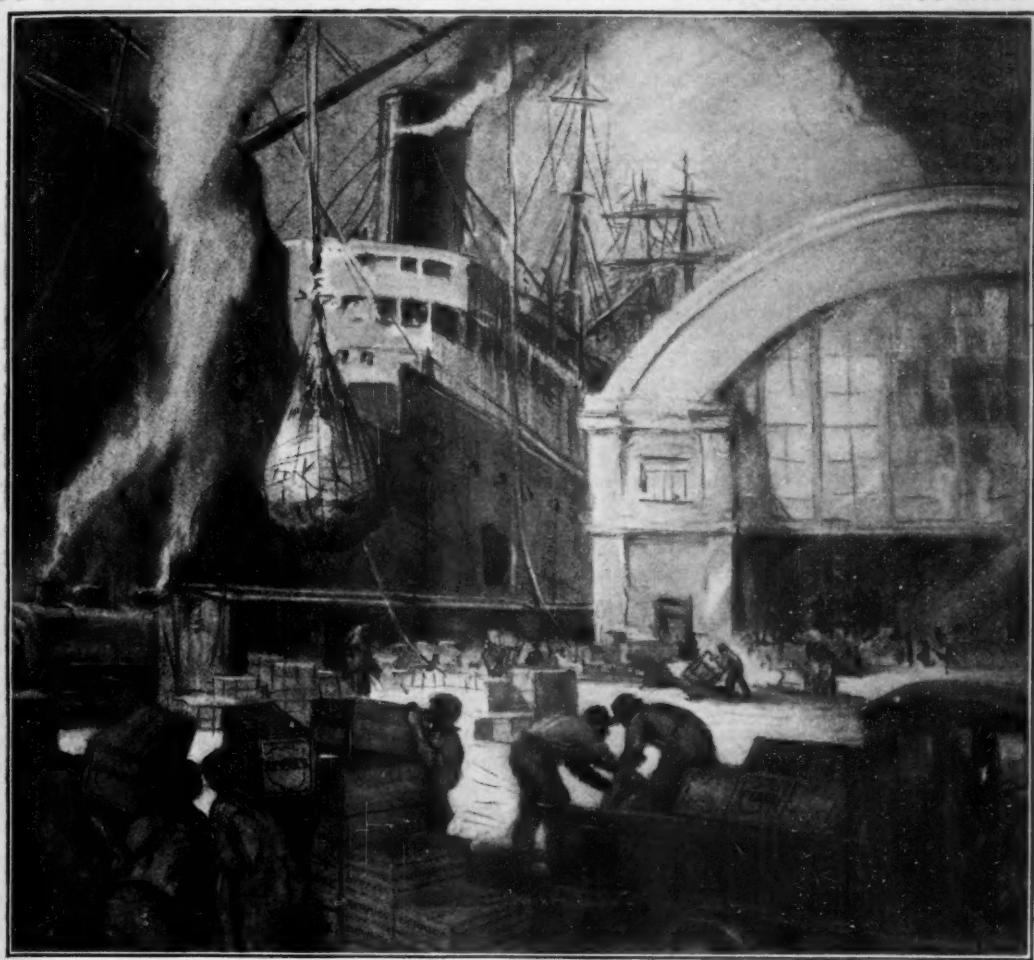
The only time when wholesalers will buy of each other is in time of scarcity, and then it may facilitate rapid distribution. It is an abnormal and temporary situation, and all the resources of the industry are strained to overcome the conditions. The natural incentives to the trade to satisfy their regular customers are the strongest influences safeguarding the public. Outside of such relationships, coal is sold to the highest bidder, as the farmers always sell their products, and it is not undesirable that a share of the supply shall be available for disposition in this way. There is a market price for which conditions, not dealers, are responsible. Finally, the field is always open to new dealers or to cooperative associations. Every community can take care of itself if it has the initiative and public spirit to do so. The problem is not one that needs to be looked after by the Government any more than the subject of cooperative selling and buying among the farmers.

The personnel of the late National Coal Commission was very high-class, and much of the work is very ably done, but it could not altogether avoid the hasty conclusions into which such bodies are likely to fall. It says that the average profit of the large companies throughout the four years ending with 1913 was 36 cents per ton, but that in the last three months of 1922 the margin was \$1.05 per ton, "or three times the prewar figure."

The Bureau of Information of the Anthracite Industry replies to this as follows:

The report of the commission, it is true, does

APPLES • BERRIES • PEACHES • PEARS • CHERRIES • PRUNES • GRAPES • APRICOTS



## FRUIT FOR THE WORLD

**A**GAIN the story is one of swift, almost astonishing development.

It is the story now of a giant fruit industry that has transformed the Pacific Northwest into a land of orchards and vineyards; that has carried its products to all corners of the globe; and has made it America's great new fruit belt. . . .

All in the short space of fifteen years!

\* \* \*

In that period the Pacific Northwest has become the nation's greatest apple region, producing more than half the country's commercial apple crop. Ranging from 30 to 40 million bushels this vast fruit harvest is worth \$50,000,000 a year. In ten years production has increased eleven times in Washington, three times in Oregon, six times in Idaho.

Another \$35,000,000 a year is brought in by the huge crops of pears, peaches, prunes, cherries, loganberries, strawberries, cranberries, grapes, apricots and plums. Canneries packing these fruits have doubled their output in two years.

For this great development a combination of factors is responsible. First is the fact that natural advantages of climate and soil, to-

gether with better cultural practices, enable the Pacific Northwest fruit grower to obtain for all fruits, without exception, higher acre yields than in the eastern states. These yields are often amazing.

Again, Pacific Northwest fruit is of exceptionally choice quality and hence brings highest prices. The Pacific Northwest fruit farmer, moreover, is surer of his crop and is free from the menace of many of the insect pests and diseases that are common to other fruit regions.

Finally, Pacific Northwest fruit growers, in successfully meeting a tremendous marketing

problem, have won the admiration of the world. Fresh, canned and dried, the products of the Pacific Northwest are now shipped regularly and in huge volume to foreign markets.

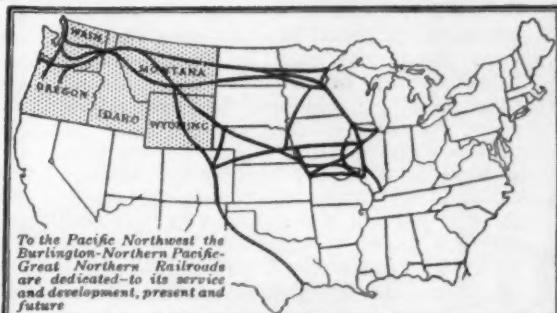
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These are things that have made the Pacific Northwest the ideal fruit country—the Land of Opportunity for fruit growers from the nation over. The demand for fruit is constantly increasing. With much fruit land still available, the Pacific Northwest is in this, as in other respects, a Land of Opportunity.

If you are engaged in, or contemplate engaging in fruit raising, *investigate the Pacific Northwest*. See it yourself if possible. Let us put you in touch with reliable sources of information.

*Write for interesting booklet  
"The Land of Better Farms"*

Address: P. S. Eustis, Passenger Traffic Manager, Chicago, Burlington & Quincy R. R., Chicago, Ill.; A. J. Dickinson, Passenger Traffic Manager, Great Northern Ry., St. Paul, Minn.; or A. B. Smith, Passenger Traffic Manager, Northern Pacific Ry., St. Paul, Minn.



## The PACIFIC NORTHWEST

*{ The Chicago Burlington & Quincy R.R.  
The Great Northern Ry.  
The Northern Pacific Ry. }* *{ The Land of Opportunity }*



*When writing to the above railroads please mention the Nation's Business*

show increased margins per ton of production for the last quarter of 1923. This was due simply to the fact that production was pushed to the limit during those periods in order to make up as much as possible the deficiency caused by the strike and better realization was obtained for the steam sizes sold than is obtained under normal conditions. The increased production had, of course, the effect of reducing the overhead charges per ton. If the second quarter of 1923 had been included in the commission's report, the results would have been very different, because of the fact that there was a decided slump during that period in the realization on the steam sizes.

This reply is sufficient to show that the emphasis laid upon increased earnings in the last quarter of 1922 was ill-advised and misleading. The increase was not due to higher prices nor to any permanent factor, but resulted from an exceptional circumstance, the complete influence of which was to wipe out all profits for the year 1922.

In another part of the same Commission's report, probably written by another member of the staff, appears the following comment upon these profits of the season of 1922-23.

Because the market conditions were abnormal too much regard must not be paid to the record for the first quarter of 1923. On the whole it appears that the operator gets about the same percentage of the purchasers' dollar (f. o. b. mine sale) that he used to get before the war.

The report of the Coal Commission upon the bituminous industry gives a good deal of support to the view that its troubles are due in large part to government action in one form or another. The chief trouble is overexpansion—too many mines and too many miners, with wages high enough to compensate the miners for being idle nearly one-third of the time. The mystery to those outside of the industry has been why the

low-cost producers did not close up the high-cost producers, as in other lines of production.

The commission says that one of the explanations of this is that the railroads are obliged to distribute cars on the basis of mine capacity. When there are not enough cars to go around, the low-cost miners must run on a short time, so that cars may be distributed to all mines; and since the ability to sell coal depends upon ability to get cars, the public must resort to the high-cost mines to fill its needs. Moreover, the fact that car distribution is based on capacity is an inducement to increase capacity, although the industry as a whole is already overdeveloped.

#### Everybody Injured; Nothing Gained

IT IS worthy of note that just at this time when the anthracite industry is under fire, the bituminous industry, which has gone through similar experiences, is in a serious state of depression. Prices are very low, heavy losses are being sustained and many producers are being forced out of business. The overdevelopment which is responsible for this situation is one of the results of the strikes of recent years and the high prices resulting from the suspension of production. Such irregularity of production inevitably increases mining costs and prices. Business men in judging an industry take such hazards into account.

These reports from two commissions upon the coal industry must be read with much care and discrimination and with information from other sources if correct conclusions are to be reached. The information that they contain goes to show that government investigation, supervision and regulation instead of simplifying a complex situation has tended to make it more complicated and obscure.

This does not signify that no good ever comes from government investigations or commissions. No doubt benefits are sometimes derived, but it is just as certain that govern-

ment supervision and regulation is a very poor dependence. Doubtless it must be resorted to in the limited number of cases where competition is impracticable, or in cases of great emergency where the competitive forces are temporarily restrained.

The clamor for official regulation of business is due in large part to a lack of understanding of the effectiveness of the natural economic forces. There are few lines of business in which these forces are not amply sufficient to protect the public. In normal times there are few instances of unusual profits where competition does not quickly result, or other corrective influences come into play. The interference of government officials where natural forces are likely to be effective in due course, often has the effect of nullifying these influences and of throwing the situation into greater confusion.

The modern business organization is a highly developed system of voluntary cooperation. We have all become specialists—exchanging goods and services with each other, and the system is kept in balance by the free movement of prices. The workers are distributed in the industries, and production is directed automatically, by the natural movement of prices. If the production of any commodity is in excess of demand, the price naturally falls and industry shifts to other lines of effort. If government officials were all-wise, the best they could do would be to adapt production to demand—and that is what free-play of prices actually does.

The only alternative to the free-play of prices as the regulator of production is the system that was tried in Russia, of having the Government take complete charge of industry, determine how much of everything shall be produced, how much each person shall have as his share, assign every man to his job, and station soldiers to see that the orders are carried out.

## Railroads Perform Beyond Promise

By R. H. AISHTON

President of the American Railway Association

THE YEAR just passed has witnessed a wonderful achievement on the part of the railroads of the country in the character of service rendered the public.

Not only have they successfully handled the largest freight traffic in history, but they have accomplished the feat with virtually no car shortage and with an entire absence of transportation difficulties common in the past.

This accomplishment has been due, in large measure, to three things:

First, a definite constructive program adopted by the railroads last April.

Second, the active cooperation of the rail-

tive public judgment which gave the railroads its best cooperation and allowed them to work out, without interference, the requirements of their program.

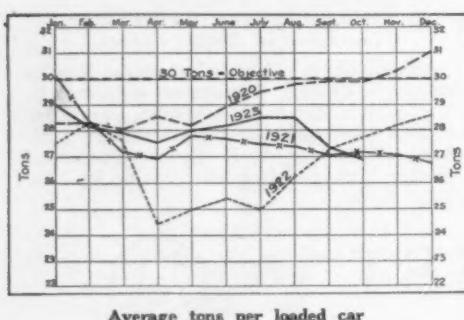
From January 1 to November 24, this year, 45,673,690 cars were loaded with revenue freight, an increase of 10½ per cent over the corresponding period in 1920, when the previous record was made in the amount of freight business handled. It also was an increase of 17 per cent over the corresponding period last year and 27.2 per cent over the corresponding period in 1921. For the year as a whole it is estimated freight loadings will total 50,000,000 cars, or an increase of about 11 per cent over 1920 and 15.7 per cent over last year. In fact, from March 10 to November 24, inclusive, a period of 38 weeks, the railroads handled an average of more than one million loaded cars a week, a record heretofore never approached.

In order to handle this record traffic the railroads have placed in service since January 1 this year more new freight cars and locomotives than in any similar period during the past ten years. During the first ten months of 1923, 155,872 new freight cars were installed in service, of which 60,545 were box cars, 66,167 were coal cars and 18,971 were refrigerator cars. They also on that date had

on order, with deliveries being made daily, 48,571 new freight cars.

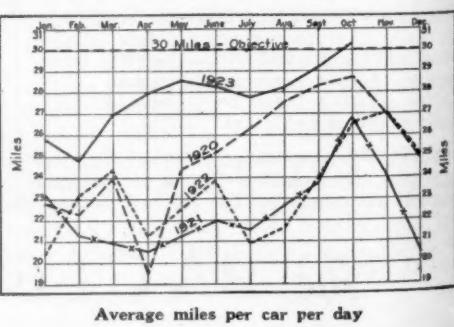
The railroads also from January 1 to November 1 this year placed in service 3,371 new locomotives, while they had on November 1 a total of 942 new locomotives on order.

Capital expenditures made for equipment and permanent improvements in 1922 totaled \$429,272,836, while, in accordance with the program adopted in 1923 by the carriers, similar expenditures in 1923 amounted to \$1,075,898,000. In addition there are being carried over into 1924 appropriations made in 1923 for similar capital expenditures amounting to \$300,806,000, a grand total of



road managements and the public in intensive efforts to provide adequate transportation.

Third, public appreciation of the need for efficient transportation service and a collec-



\$1,805,977,000 expended or authorized for capital improvements during 1922 and 1923. This does not include appropriations which will be made in budgets in 1924 and which

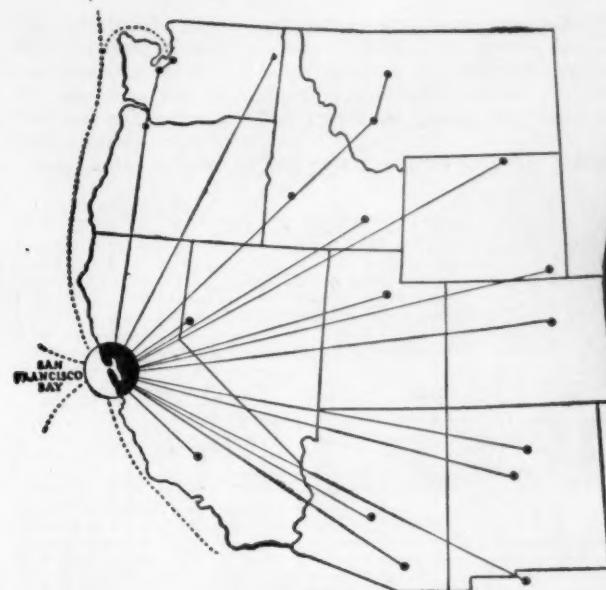
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*May we apply Your test to this rich territory?*

FOR seven thousand years the human race has moved Westward. Now it is piling up in millions in the Far West and along the Pacific Coast. San Francisco Bay reaches this growing market of nine million people by a shorter average haul and a lower average rate than any other manufacturing center.

Thousands of new factories to meet this *growing* market already are grouped in the one thousand square miles of the San Francisco Bay Industrial District, and more are coming.

To every national manufacturer in America, the Panama Canal, the post-war stabilization of wages, the redistribution of world markets, and above all, this *growing* market of nine million prosperous people presents a new industrial sit-

uation that must be met in a new way.

#### *A New Service to YOU*

We are now able to send you, without cost or obligation on your part, impartial and reliable Engineering Reports concerning this new opportunity as it relates to your own industry and your specific plant. This information will cover your market, labor conditions, plant and material costs, distribution channels, existing competition, and any other problems you may desire. Californians Inc., a non-profit organization of citizens and institutions interested in the sound development of the State, seeks only such industries as can operate here to advantage. Yours may be one of these. Let us aid you in finding out. Address:

*Have your secretary fill in and mail this coupon*

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still remain to be adopted by the individual railroads.

In addition to the above capital expenditures for increasing their facilities made almost entirely from borrowed money upon which the going rate of interest must be paid, Class I Railroads in the entire year 1923 expended for fuel, materials and supplies used in current operation and maintenance, approximately \$1,800,000,000. In 1922 operating expenditures for this purpose totaled \$1,668,573,271.

Capital expenditures in 1923 for increasing their facilities, plus the expenditures for 1923 for fuel and materials and supplies used for current operation totaled \$2,875,898,000. This does not include any direct expenditures by the railroads for labor but has gone to the industries of the country, and represents one of the major causes contributing to the expansion of business and to the employment of industrial labor, which in turn has been a primary factor in the increase in the domestic demand for both products of industry and of the farm.

More locomotives and cars have been repaired and put in serviceable condition than ever before in any equal period. On November 15 only 116,534 freight cars or 5.1 per cent of the ownership were in need of heavy repair, while the total number of locomotives awaiting heavy repair numbered 9,801 or 15.3 per cent of the number on line. On October 1 when traffic is usually the heaviest, the number of locomotives awaiting such repairs was only 13.7 per cent, the lowest figures on record. Reports filed by the carriers show that on January 1 there were 164,041 or 7.2 per cent freight cars in need of heavy repair and 13,587 or 21.1 per cent locomotives.

The average moved by every freight car daily in the first ten months of the year was 28 miles, and in October reached 30 miles. This compares with 23.1 miles in the first ten months of 1922, 22.4 miles in 1921 and 24.9 miles in 1920. This figure is based upon the total number of freight cars owned whether in transit or not and even includes cars undergoing shop repairs.

It is interesting to note that the amount of freight service rendered with each freight car was 516 tons carried one mile daily during the first ten months of 1923. This exceeds the record of any previous year and surpasses that of 1922 by 27.4 per cent.

Due to these increases in facilities resulting in more rapid movement of cars and heavier loading of cars, a record-breaking business was handled without congestion and with practically no car shortage or embargoes for the first time in years.

More coal was transported in 1923 by the railroads to Lake Erie ports for shipment up the lakes than ever before on record. Approximately 31,313,000 tons were dumped, of which 29,700,000 were cargo coal and 1,613,000 tons bunker coal. The best previous record was in 1918, when 29,388,242 tons of both

cargo and bunker coal were transported by the railroads and dumped at Lake Erie ports. Reports show that the railroads, in accordance with the program adopted last spring, have more coal in stock pile storage than ever before.

Despite record-breaking freight traffic and

since the general rate increase effective August 26, 1920, freight rates on agricultural products have been reduced between 11 per cent and 12 per cent and on other commodities, an average of 10 per cent.

Due almost entirely to reductions in freight rates that were made both voluntarily and by order of the Interstate Commerce Commission, the freight bill of the people of the country was approximately \$700,000,000 less in 1923 than it would have been if the rates existing during 1921 had remained in effect.

As compared with the rates in effect during 1922, the freight bill in 1923 represented a reduction to the shippers of the country of approximately \$300,000,000, due to the voluntary reduction on agricultural products that became effective on January 1, 1922, to the general rate reduction of 10 per cent effective on July 1, 1922, and to the great

number of individual readjustments in freight rates. In other words, there has been a saving of approximately \$700,000,000 in the freight bill of the people of this country due to reductions in freight rates since the increase of 1920, of which \$400,000,000 can be attributed to reductions during 1921 and \$300,000,000 to reductions during 1922.

The railroads are looking forward with confidence to the future as is evidenced by the program for 1924 which they adopted at a meeting in New York recently to make effective a continuation of the active cooperation between the carriers and the public, and to provide adequate transportation to meet the constantly increasing industrial developments of the nation.

## "Business as Usual," Say Japanese

PLUCK, necessity, and business acumen have all prompted as speedy a reconstruction as possible of the shattered structure of Japanese commercial life. As an instance, the Foreign Commerce Department of the National Chamber has recently received an attractively printed announcement, in English, gotten out by the Osaka Commercial Museum within a month of the upheaval that had literally and figuratively disrupted the commercial foundations of Japan.

That museum "in order to fulfill the ardent demands of the business men from all over the country as well as those of the foreign countries, has established the Emergency Trade Information Bureau with the view of reducing the after-effect of disturbance to the minimum by the adjustment of general commodities and the operation of harmonious business transaction."

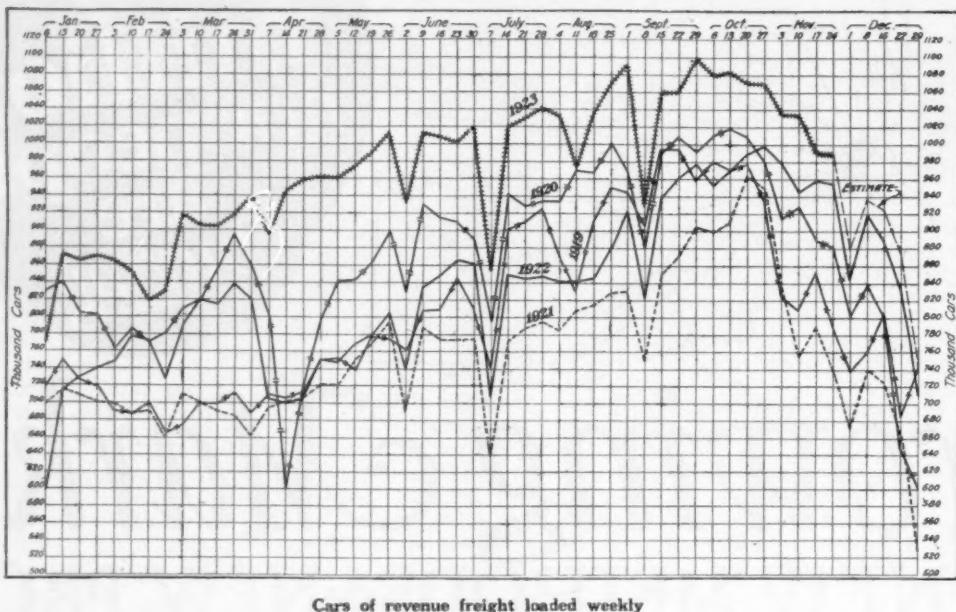
The Bulletin further states that "Osaka, as a center of manufacturing industries and the greatest city of the Empire, carries unlimited potential sources of supplies and it is the bureau's mission that it will make its best effort to save the paralyzed market from

difficult situation which is prevailing at present. The Bureau will give all information, free of charge, on the following items:

- I. Information of Exporters, Dealers and Manufacturers in Osaka and all other important cities.
- II. Information of Importers, Buyers and Brokers in Osaka, Kobe and other cities and ports.
- III. Catalogues, Literatures and Price Lists, etc., are collected and supplied on application.
- IV. Inquiries or Investigations on general merchandise reported on request."

The circular concluded with a "cordial invitation to write or call."

"What is true of a shopkeeper is true of a shop-keeping nation." The combination of philosophy and practicality back of this creditable instance of Japanese business initiative are indeed typical of the national spirit which "bears great calamities with cheerfulness, not through insensibility but through greatness of mind."





## ABILITY + STABILITY



**A**N organization that has built, and built well, monuments to American architecture and industry.

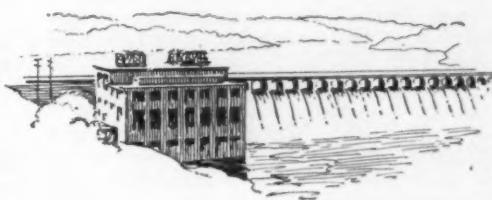
An organization that has the financial resources to successfully and speedily erect your factory, power plant or public work.

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# Business Views on the Presidential Year

A NUMBER of business leaders were asked their opinions of the views which Mr. Davey set forth in the December NATION'S BUSINESS. They do not think alike by any means. There was every shade of answer from a flat statement that the article wasn't worth printing to a declaration that it was "excellent and helpful." Here are some:

### Walter W. Head,

President, American Bankers' Association and President, Omaha National Bank—It is my belief that the presidential election has a certain effect upon business, for certain business men are affected by a psychological uncertainty, and others in certain lines of business probably feel the effect of the success of candidates who have expressed opinions on matters affecting their particular business.

### Noble Foster Hoggson,

President, Hoggson Brothers—I find little or no interest in it. Mr. Davey has approached the subject from one angle only, and I am sure every one will agree with him who looks at it from that angle, namely, that there is no reason for the business men of this country to be afraid of a year simply because a President is to be elected in that year.

The uneasiness that has grown into the consciousness of our business men concerning "presidential" years has been engendered by the fear of a radical change of policy which might bring about a serious change in our standard of value, or a drastic change in tariff laws, or the introduction of vicious radicalism, or the injection of government control or supervision of business.

Any one or all of these possibilities might develop in a "presidential" year; and there is, in my opinion, very good reason for the forward-looking business men of the country to contemplate such a year with real concern, and feel it to be to their advantage to trim their ships and shorten their sails until the horizon is cleared.

### R. G. Rhett,

President, The Peoples National Bank of Charleston—I am very much impressed with the article, especially with the insert of Mr. Roberts. It seems to set forth the situation pretty well. Of course, you realize that every presidential election means a possible change of policies; and whenever that takes place, all business men grow more conservative; but experience, I think, shows that that only constitutes one of the factors which govern the trend of trade and that it is not by any means a controlling factor.

### Officer of Public Utilities Company

I think the apprehension over an approaching presidential election is a very real factor which the business world must take into account. The extent would necessarily vary with the intensity of the campaign and the probability of a change in governmental policies. I do not see how it could be otherwise. A transfer of government from one party to the other carries with it greater or less changes in the political, economic and social policies of the country for four years. Such policies may, and fortunately do, have a direct bearing upon business. I do not be-

### *Martin L. Davey's Article Stirs Comment from Leaders of Industry*

lieve it is a "bogey," but a factor which business should give due consideration to.

From my own experience I can give you an illustration. In 1896 I represented certain New York capitalists who had secured a franchise to build an electric railway. The whole project was predicated upon the defeat of Mr. Bryan. If Bryan had been elected we would have been unable to finance the project. This is an exaggerated case growing out of the vital question of sound money which was at issue in that campaign, but the same thing applies, I believe, to a lesser extent in every campaign.

### Max W. Babb,

Vice-President, Allis-Chalmers Manufacturing Company—The fact that there has been a tendency toward slackening of business in presidential years is not merely a psychological phenomenon. Elections determine policies of government. When what are regarded as dangerous measures are seriously advocated in an election campaign, the natural tendency is to become cautious in business affairs until the question as to the disposition of such measures is determined. In recent years many new and radical policies with respect to regulation of business and accumulation of private property have been proposed; and if it is believed there is serious danger of such measures being enacted into law, the effect on business can hardly fail to be marked during the period of the political campaign which determines their passage or defeat.

### L. D. H. Weld,

Manager, Commercial Research Department, Swift & Co.—I have always felt that on the whole, too much credence is given to the common statement that a presidential year means poor business conditions and from this standpoint I think that Congressman Davey's article is all right to publish.

On the other hand, I think that perhaps Congressman Davey goes a little bit too far in disregarding the effect, or possible effect, of a presidential year when the election involves a determination of policy on some extremely important economic issue. It seems to me that the statement by George Roberts is particularly good on this point. There is no doubt that the combined influence of the money and of the tariff question in 1896 held business back.

### W. J. L. Banham,

General Traffic Manager, Otis Elevator Company—Congress, in the exercise of its great power, seems to have appointed itself the nation's doctor, but, as such, it is not always a wise physician. If it were, it would, in all modesty, wait until called upon by its patient (the nation). Then would follow the logical examination, diagnosis and prescribed course of treatment. But Congress does nothing of this kind. It first assumes that its patient is chronically ill—which is not so—and then proceeds to force down the throat of its struggling victim a varied assortment of medicines, most of which have been compounded of such uncongenial elements as usually come together during the

process of a compromise. After this, naturally, the patient takes to its bed, but happily with no very serious disease—at least, nothing organic. There is usually

an acute case of indigestion, some fear, and often a nervous and tired breakdown, but the convalescence begins as soon as the doctor departs, and recovery takes place after a little quiet. There is nothing equal to a good constitution.

### Leonard P. Ayres,

Vice-President, the Cleveland Trust Company—I believe that the ordinary attitude of business toward the presidential year is mainly a bogey, and I think it well for you to print the article calling attention to the unwise of being scared about it.

I do not think that the illustrations are particularly happy. For example, the young man who did not build his house in the spring of 1920 was quite right in his judgment, and saved a good deal of money by waiting even if he ultimately built in 1923. Other criticisms might be made about the various uses of the percentage figures that are made throughout the article. Nevertheless, I think the general conclusion set forth is wholesome.

### F. O. Watts,

President, First National Bank of St. Louis—It is perhaps well to have such a viewpoint as Mr. Davey stated, but I doubt if the presidential election has as much influence as is sometimes supposed.

If the underlying business conditions are unfavorable preceding an election, there is thus added a disturbing factor in that of the uncertainty as to the policy which the incoming administration will adopt. I doubt whether under anything approximating normal business conditions the presidential election is of itself very much of a depressing influence.

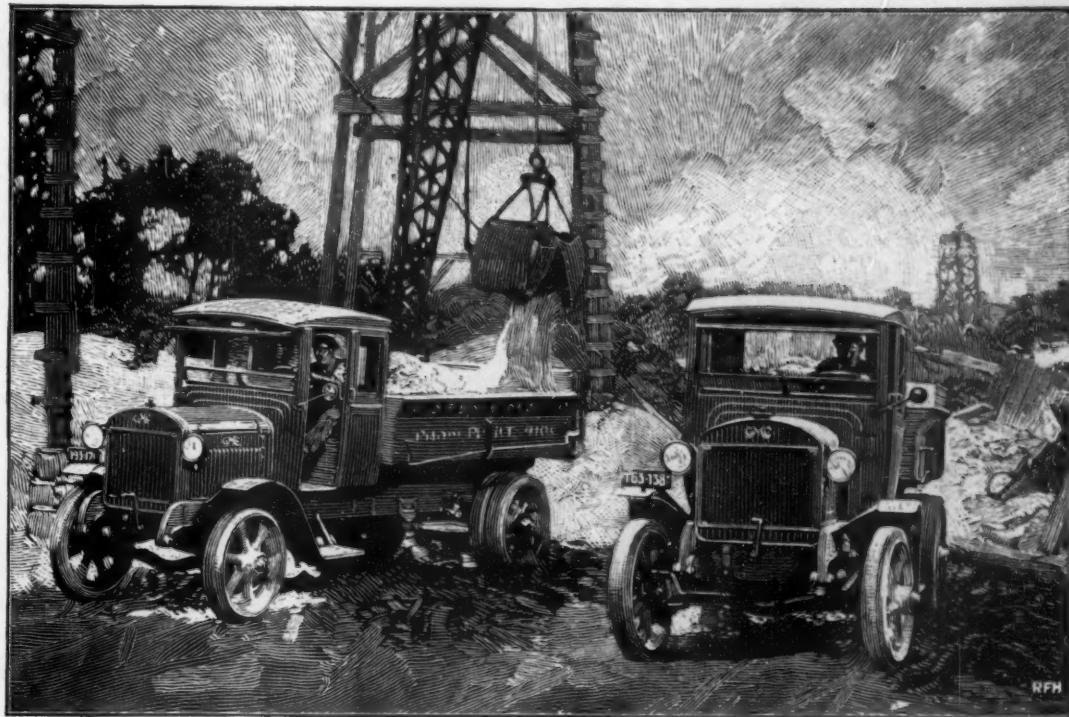
### Head of a Large Manufactory

While I have an impression that presidential elections have much less influence on business than is commonly supposed, it is still true that most business men in laying out plans for 1924 will take into account the added element that it is the year of the presidential election. Whether in its effect on business a presidential election is a bogey or a real thing is immaterial, because anything is real which a sufficient number of business men believe to be real.

A great share of the political bunk we know well will not happen, because the American people will not stand for it. The narrow field in which things can happen consistent with the good sense of the American people is not as a rule menacing to business.

### Prominent Wholesaler in Southwest

Personally I have no belief that there is any reaction, either beneficial or otherwise, during that period except that, if general conditions are good at the time of election, the business world would like to see no change and if bad, would welcome a change. However, as the wish is usually father to the thought, the logic would be to expect no change if conditions are good and vice versa. Consequently why should there be any but beneficial effect upon the mind of the business public?



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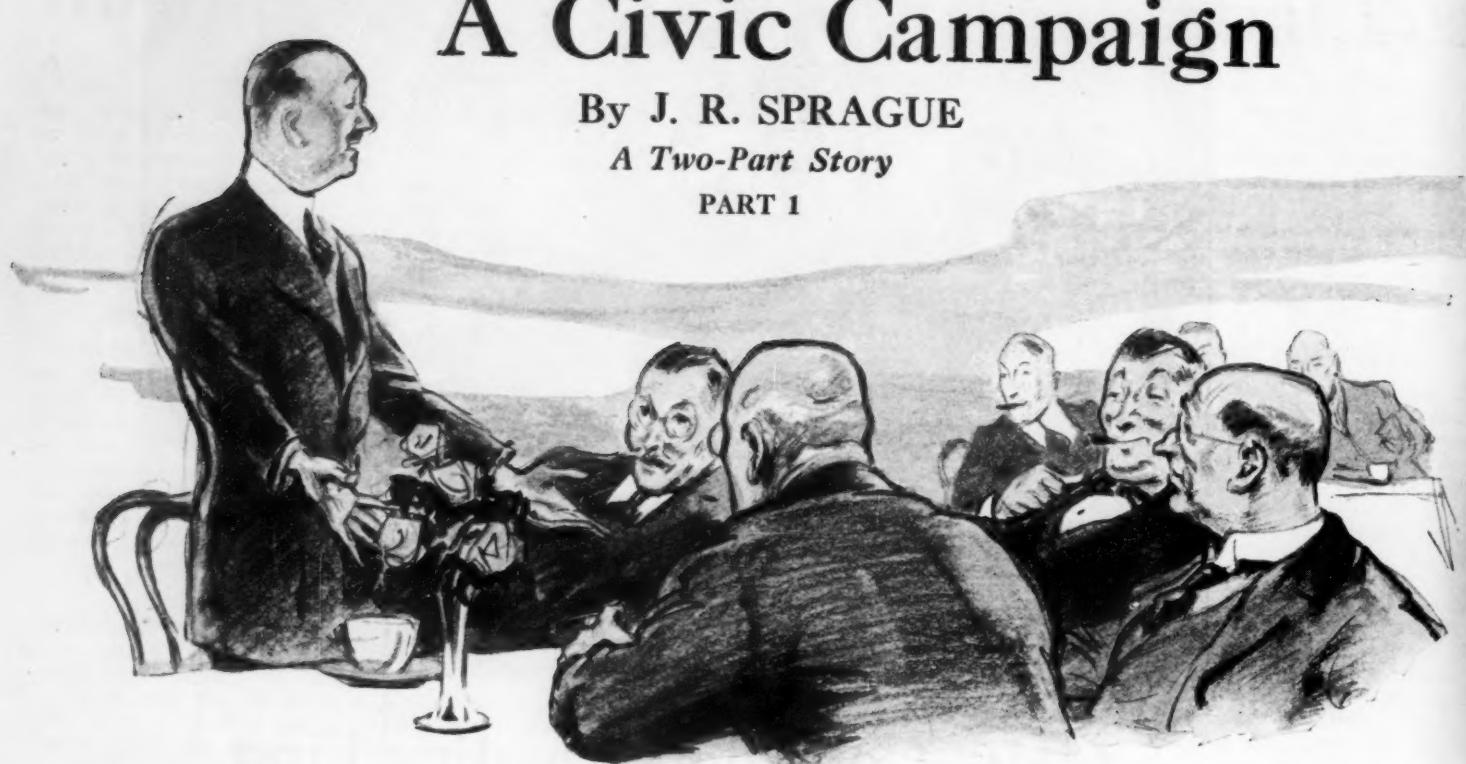
*When writing to GENERAL MOTORS TRUCK COMPANY please mention the Nation's Business*

# A Civic Campaign

By J. R. SPRAGUE

*A Two-Part Story*

PART 1



IT WAS more than a year since I had been in the city of Strodesville, and I could not help being impressed with the fact that something unusual had been going on. When I left the hotel after breakfast, I noticed a couple of workmen removing a big cloth banner from the front of the Chamber of Commerce building across the way, and in front of the post office there was a wooden platform, on which a tall plank stood upright with figures painted on it to represent a thermometer, the numbers running from 1,000 to 100,000. Evidently Strodesville had been experiencing some kind of a drive; but it was not until late afternoon when I went to call on my friend, John R. Bates, that the matter came up again.

#### The Coy Mr. Bates

MR. BATES, president of the Bates Hardware Company, member of the Strodesville Chamber of Commerce and veteran civic booster, was sitting in the little railed-in office at the rear of his big establishment as I entered. He was a tall, raw-boned man of fifty-five, with an exceedingly bald head and horn-rimmed spectacles; he did not look up until I was within a few feet from him, and then it was his pleasure to pretend he thought I was someone else.

"This is not my day for making donations," he said with elaborate politeness. "Call again next week; please." Then, as if puzzled, he added, "Let me see now. You are collecting for the Beautiful Back Alley Committee, aren't you? Or is it the Rescue Home for Superannuated Chinese Laundrymen?"

I said I cared little for beautiful back alleys or Chinese laundrymen, and if I did, I should know better than to try to obtain a donation from John R. Bates.

"Not wanting a donation?" he exclaimed. "Then of course you want to sell me stock in some corporation that will be of vast and lasting benefit to our city. What can it be? I already own stock in the overall factory that died on us last year, and some more

in the farm tractor plant that was going to make a second Detroit out of Strodesville."

He considered deeply for a moment and then struck the arm of his chair triumphantly. "I've got it! You must be promoting a balloon factory. That's about the only kind of an enterprise our patriotic citizens haven't tried to subsidize so far!"

It was then that, recalling the banners on the trolley wires and the big thermometer in front of the post office, I asked Mr. Bates what kind of a campaign had been going on. At last he deigned to recognize me.

"It was," answered Mr. Bates, wringing my hand solemnly, "a campaign which proved that otherwise intelligent people sometimes have an idea that regular business rules don't apply to city building. Also that ambition occasionally runs away with judgment. If you're interested I'll tell you about it."

Thus it was that I heard the story of Strodesville's civic campaign which I repeat precisely as John R. Bates told it to me:

#### Bolivar Tips Arrives

THIS affair that has been agitating Strodesville (he said) started about six weeks ago at a meeting of our Utopian Luncheon Club. There is a natural-born optimist and booster named Elmer Clegg who is president of the Utopians, and on this occasion he had in tow a polished stranger who, Elmer announced, had a message of import for every forward-looking citizen of Strodesville.

His name was Bolivar Tips, and he had not been speaking two minutes before he had us all sitting up and taking notice. He said he had been in Strodesville only a few days, but in that time he was amazed to find our city possessed advantages which, if properly developed, would make it a great and prosperous world center. We might easily, he said, have a population of half a million souls in a few short years instead of the meager fifty thousand as at present!

After these encouraging words this Bolivar

Tips plumped his secret right down in our midst. He said he was a producer of motion-pictures, recently from California, but there was a good deal of unrest among the motion picture magnates out there on account of its being so far away from New York and everything, and if some enterprising and beautiful city like Strodesville would only make a start in the game all the big producers would come a-running. He had personally investigated our advantages and found we had wonderful scenery and a beautiful climate, just the things that would make for success. The thing to do, he said, was to organize a company, build a studio and get some prominent actor to make a few pictures in Strodesville, and the rest would be easy.

#### No Money Wanted

AT THIS mention of organizing a company the enthusiasm of the Utopians cooled down a little, because most of us had bought stock in companies organized by generous strangers for the betterment of our city. Bolivar Tips must have sensed the feeling because he got right down to brass tacks:

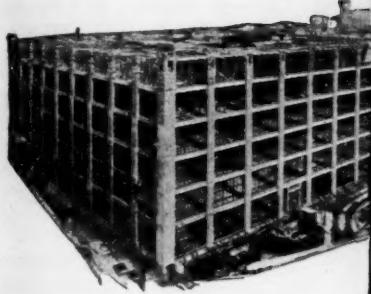
"I'm going to tell you gentlemen a few things," he said earnestly, "that will surprise you. I'm not asking anyone present to buy a penny's worth of stock in any concern! All I want is your endorsement and cooperation!"

This plain statement was sort of easing to our feelings, and Bolivar Tips proceeded to make himself still more agreeable:

"I know well enough that a lot of promoters are going around the country all the time with snide schemes that they try to foist on any community that lets itself be taken in. But I'm not that sort." He looked us all over genially for a minute as though he was just bursting with some good news he had up his sleeve.

"I suppose," he said carelessly, "that you have all heard of a certain star of the motion picture firmament named Fairchild?"

We all sat up with a bump, for Ray Fairchild's latest success was at that minute show-



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# Ferguson

GUARANTEED BUILDINGS

ing at the Strodesville Palace Theater and every billboard in town carried a lithograph of Ray Fairchild in his Royal Northwest uniform, with a team of husky dogs in the snow-covered background.

Bolivar Tips gave us a few seconds to let all this sink in, and then he shot straight into our faces:

"I have Fairchild under contract! His future pictures may be made in Strodesville if you see fit to give me your endorsement and cooperation!"

You ought to have heard the hollering and stamping and clapping that went up at those welcome words! Old Russell Hart who sat next me cackled in my ear that he always know something good would come to Strodesville sooner or later and that piece of property he owned out at the end of the Pine Street car line would be a dandy site for a studio.

I had some visions myself as to the builder's hardware, to say nothing of the big picture actors who would be going around our streets all the time with rolls of money in their pockets to spend with enterprising merchants. In the midst of the commotion Elmer Clegg, the club president, hopped to his feet, absolutely pale with excitement and in his boozingest mood.

#### Strodesville at the Rubicon

"GENTLEMEN of the Utopian Club," Elmer said brokenly, "I will not mar the perfection of such a day by any extended remarks. Suffice it to say that Strodesville stands now at the Rubicon! This gentleman is the Caesar who shows us the path to wealth and glory! Neither will I insult the wisdom of the Utopian Club by putting Mr. Tips' proposition to a vote. As president I will appoint a committee to confer with him immediately after this meeting adjourns to take such action as seems necessary for the fulfillment of this wonderful vision!"

Elmer appointed me and four others on this committee of his, and we met right after the meeting in the Utopian Club office to confer with Bolivar Tips. From past experience I was inclined to be sceptical, but this Bolivar Tips appeared all to the good, and certainly he was frankness itself.

He spread his papers out on the table in the committee room and chatted cordially about his plans. He proposed to organize a small corporation at first to be capitalized at \$100,000; with this money he would build his studio and begin making pictures. As he talked he carelessly picked a letter from the pile of papers on the table.

"Just a little note I got from Fairchild yesterday," he said. "It doesn't amount to anything except to show how close the relations are between an artist and his manager. Don't mind the handwriting. You know he's only a big, lovable kid." He pulled the letter from its envelope and passed it around. It was dated New York and went like this:

#### DEAR TIPS:

Am rested up good now from the last picture but I hate to go way out to Cal. to make the next one. Hope you will locate in that nice town you wrote about. I feel that I could do my best work in such a fine place. Hurry up.

Yours truly,

FAIRCHILD.

We hadn't got through looking at this when Bolivar Tips sprang something else on us in the shape of another letter that he picked up from the pile of papers. He pointed to the return address on the corner:

"Merely a little note from a special friend of mine," he said, sort of off-hand. "Old Cy Huff, the magazine writer, who turns out a

hundred thousand dollars worth of literature a year."

He half pulled the sheet out of the envelope as though he was going to let us read it and then shoved it back again.

"No use of my showing you what old Cy writes," he remarked, "it's only about personal matters anyway." Then he sunk his voice real low, like he was afraid some outsider might hear:

#### Coming: Famous Citizens

"I'M NOT making any promises, mind you," he said, "but it's practically understood that wherever I locate my works old Cy Huff will be sticking around to write stories for Fairchild to act in. What do you know about two such characters as Huff and Fairchild becoming citizens of Strodesville?"

Bolivar Tips said this so good-naturedly and heartylike that I could almost see myself meeting Fairchild or Huff on the street any old time and speaking to them like friends, or having them come into my store for anything they needed in the hardware line.

I thought it would be the duty of our committee to get some kind of credentials from Bolivar Tips and find out just who he was and how much of his own money he intended to put into the motion picture enterprise before we actually endorsed his proposition, but after hearing him talk so familiarly about big people like Fairchild and Cy Huff I suppose we were ashamed to act as if we doubted him in any way. Our Utopian president, Elmer Clegg, was especially worked up over the situation, being a natural born optimist anyway. All of a sudden he jumped up and grabbed Tips' hand, shaking it emotionally.

"We're with you, every one of us," he hollered. "The Utopian Club stands for a bigger, better Strodesville! Show us the way; we'll follow!"

"That's all settled then," he said, very businesslike. "The next thing is to get an official letter of endorsement from your Chamber of Commerce."

Some of us committeemen got sort of thoughtful at that, because the Strodesville Chamber of Commerce has the reputation of being a hard-boiled organization that doesn't give letters of endorsement. Russell Hart suggested that as our Utopian Club had been the first to get behind the motion-picture project we ought to be the ones to put it over. Bolivar Tips was tactful but firm.

"No; that wouldn't do," he said. "You gentlemen represent only a part of the city's activities—the most forward-looking, to be sure—but only a part. I must have the official sanction of the Chamber of Commerce."

#### Storming the Chamber

OUR COMMITTEE adjourned after making an appointment to go with Bolivar Tips the next day to the Chamber of Commerce with our request. I didn't feel exactly right about the unbusinesslike way we had treated the thing, but I salved my conscience by thinking the Chamber would investigate it close enough.

Next day we went to storm the Chamber of Commerce citadel, along with thirty or forty other members of the Utopian Club. Old Henry Lathrop, the president of the Chamber, was there to receive us, and Elmer introduced Bolivar Tips to Mr. Lathrop, telling what had gone on at the Utopian meeting the day before, and said that merely as a matter of form we wanted the Chamber of Commerce to issue a letter of endorsement.

In private life Henry Lathrop is vice-president of the Second National Bank and he didn't liven up much over Elmer's talk, but

at the end asked if the plan for making a motion-picture metropolis out of Strodesville included that of selling stock to local people.

Elmer, all heated up, answered that a little stock might be allotted to a few, but if so it would be only to get their moral support.

Henry Lathrop listened in kind of a dull way like a banker does when he has made up his mind beforehand to turn down a would-be borrower:

"Seems to me I heard something like that the time the Chamber of Commerce was persuaded to get behind the stock selling for that tire factory three years ago," he told Elmer gently, "the factory, you know, that stands out by the C. & F. railroad tracks now with all the windows broken. The packing plant, too, that was going to make Strodesville a second Kansas City—I wonder how many of us present have stock in that corporation tucked away in the back corners of our safes."

There was kind of an uneasy shuffling at this, and I got more than ever disturbed about the light way we had investigated Bolivar Tips' credentials the day before. I believe I would have come out with my thoughts then, but Bolivar Tips beat me to it.

#### Weight of Numbers Wins

"IF THIS was an ordinary stock-selling proposition," he said earnestly, looking Henry Lathrop full in the face as one big business man to another, "I should be the last one to come to the president of the Chamber of Commerce. But look what I propose to do. These gentlemen of the Utopian Club can testify that I have under contract a man whose name is a household word wherever motion pictures are known! You would not doubt the success of any organization having for its star a great artist like Fairchild?"

Before Henry Lathrop could answer, Tips dived into the crowd of Utopians present and dragged out Herb Almy, who is the life insurance member of the club. "I want you to tell Mr. Lathrop," he instructed Herb, "that I have arranged to take out a fifty-thousand-dollar policy on the life of Fairchild as a protection to my stockholders!"

Herb gratefully answered that such was the case.

Then Russell Hart, being signalled, came forward with the information that Bolivar Tips had entered into contract with him to purchase his property at the end of the Pine Street car line for studio purposes, the deal to be completed as soon as the corporation should be ready for business.

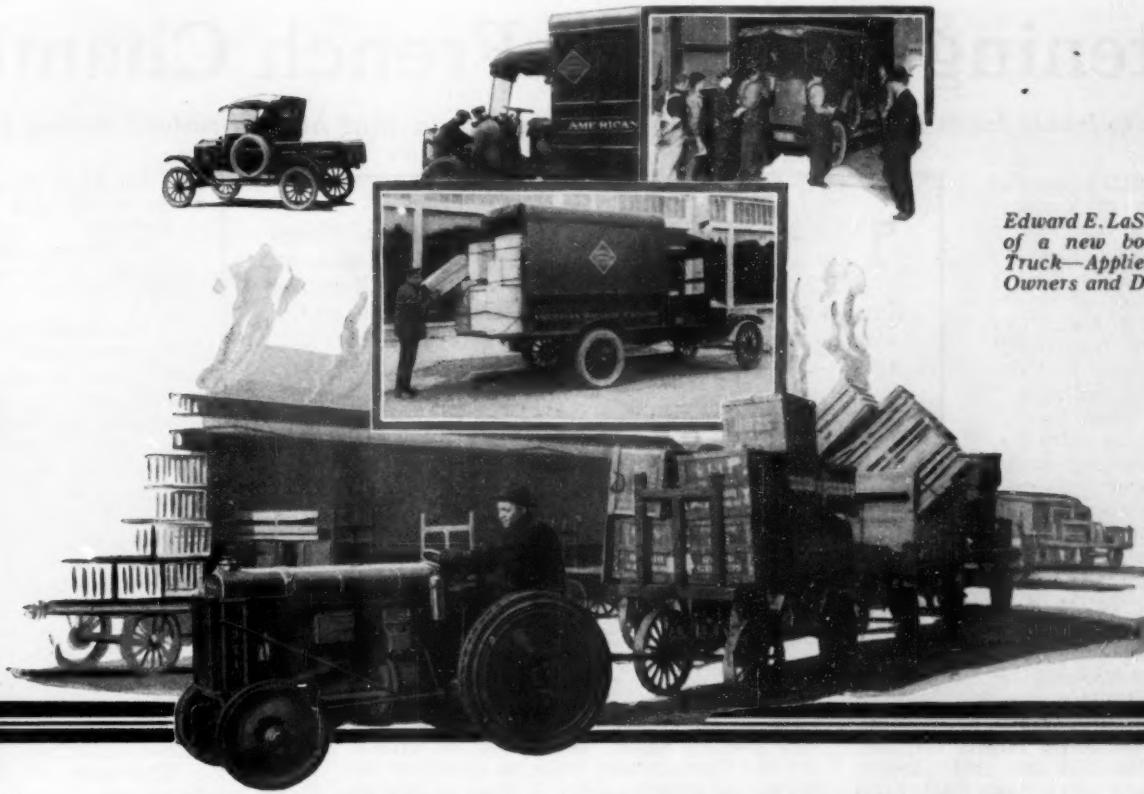
I could see the weight of numbers was beginning to have its effect on Henry Lathrop. There were at least forty of us, and while we had come as members of the Utopian Club, yet all of us belonged to the Chamber of Commerce too.

"Call the directors up on the phone and get their O.K.," said Russell suddenly. "We can't afford to waste time when the future of Strodesville is at stake!"

Henry Lathrop looked sort of troubled. "That is hardly regular," he said finally, "but all you gentlemen are members of the Chamber and have the interests of the city at heart. If your committee is satisfied, I will do it."

Numbers finally carried the day, and the Chamber of Commerce directors were called on the phone, each one being busy, I suppose, with his own affairs and voting "Yes" as the easiest way out. Bolivar Tips got his letter of endorsement and the show was over. I came back to my hardware store and mostly forgot about the moving-picture business.

(To be concluded next month)



Edward E. LaSchum is the author of a new book, "The Motor Truck—Applied Mechanics, for Owners and Drivers."

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# Listening In on the French Chamber

*Some extracts from the official records that show again that human nature varies little*

"AS PLATFORMS for the expression of our national wit the comic paper and the comic play are sufficiently depressing. But in the achievement of sheer inanity, they must give place to our parliamentary humorists." Thus speaks a writer in "The Nineteenth Century and After." "There is scant room today," his caustic pen moves on to say, "for wit in an assembly where verbal antics, as clumsy as they are inept, are greeted with 'loud and prolonged laughter' . . . It would seem to require the mention of beer or bananas to put our members in really good humor."

Some allowance, of course, must be made for such expressions coming from a race in which the sense of sportsmanship is so rampant that they delight in making themselves targets for their own criticism. But it is true that Chesterfield, a long time ago, laid it down that, "Loud laughter is the mirth of the mob; who are pleased only with silly things; for true wit or good sense never excited a laugh, since the creation of the world. A man of parts and fashion is therefore only seen to smile, but never heard to laugh."

This vital distinction still receives some recognition across the Channel, in the French Chamber of Deputies, where the reporters make a distinction between "laughs" and "smiles." They do not, however, carry the matter far enough to enable one to determine accurately whether the prevailing "laughs" come from the Left, and the prevailing "smiles" from the Right; or whether the "mirth of the mob" affects only the provincial Deputies, while Parisians and urbanites in general content themselves with a smile, befitting "men of parts and fashion."

There seems to be no way of getting at any law of averages, since it appears that "men of parts and fashion" descend on occasion to the "mirth of the mob;" and that the "mob" at times rises above itself, trespasses upon the pastime of the privileged, and "smiles." It is true that on some occasions the Right or the Center "laughs" or "smiles" when the Left is not moved to do either; and *vice versa*.

But to the naked eye and ear these Deputies must stand in the same category of mirth. For sometimes they are all low and they laugh. And again they are all superior, and they smile. So far as this reporter has observed, however, the standard diet of the English-speaking humorists, beer and bananas—"yes, we have none"—does not contribute to the nourishment of the French intellect.

The French Deputies seem to think their Latin and Greek, or the lack of them, a very good standing joke. "The day has long passed," bemoans the English self-critic, "when a false quantity in a Latin tag could provoke a smile on both sides of the House." Those, presumably, were the good old days. In these degenerate times, it may well be that even in the American Congress the day has also passed when knowing little Latin and less Greek would pass for any joke at all. But in the French Chamber, the thing kept bobbing up.

Some of it, though not all, was occasioned

**THE MAKING** of law is not always a dull thing. Monthly we have regaled our readers with an account of those lighter moments when a tariff debate brings out the cost of a Senator's wife's shoes, or the House indulges in flights of rhetoric on art or ash cans. No subject is too drab or droll for oratory.

Last month our indefatigable reader of legislative records showed that the British Parliament has its lighter moments. Here that same authority plucks from the sessions of the French Chamber some flowers of debate.

Next month "Listening in on Congress" will be resumed in this department.

by a discussion of the place of the ancient classics in secondary education, or whether they had any place. Some time the French and the Germans may reach an agreement on the matter of reparations. It looks at least as probable as that the irreconcilables and the die-hards on both sides of the question about the place of ancient classics in modern education will ever agree. But M. Loucheur thought he had found a place where they might come to terms, and shape things up according to the capacity of the pupil.

**WE HAVE** a marvelous diversity of education, and this diversity has not been created precisely to take into account the different dispositions of pupils. And here I turn to my friend

### A Flood of Oratory on the Classics

Léon Bérard, who is a great classicist. He knows how to give wonderful form to his discourse. But he has an abhorrence of the sciences which is not equaled by that which nature has of old for a vacuum. He has often confided to me, in the Council of Ministers, where I had the honor to sit with him, that, upon my word, he did not know anything about either paper marks or marks, but . . .

Minister of Public Instruction: I have learned much from you, in the course of a collaboration and a solidarity of which I retain the keenest and most agreeable memory. And, indeed, I see in you the scientific nourisher of letters. You scatter floods of light on those questions which, unfortunately, are a little too far removed from my preoccupations and my competence.

M. Loucheur: There, this is a bit of the skin of the fox.

Minister of Public Instruction: You have made me to understand, or you have made me believe that I understand, which is exactly the same thing, or perhaps better. I have seen there the good effects of your classic system.

M. Loucheur: I thank you for those good words. . . .

M. Gaston Deschamps made a plea for the restoration of old traditions in the university examinations. The Minister of Public Instruction asked:

Would you have me also reestablish the Latin discourse? . . . You have appealed to all the memories. They are not quite complete. There were two discourses. I have reread them, with the aid sometimes of a dictionary, for there were those which commenced: "Ornatissimi auditores" . . . or "Egregii auditores."

I ask if you wish that I reestablish these two.

I am asked to respect tradition. So be it! But then the whole tradition.

M. Lemire: Do not go to extremes. It is necessary first to have time to learn Latin.

M. André Lefévre thought, "after following the debate, that I am one of those without culture, numerous in the country, who do not know Greek. It is a confession which I very timidly make to you this evening. Then, I do not know Greek. I think I am not the only one in such case; I have that in common with many of those who have learned it."

M. Bracke thought there should be given "to each child born in France the maximum of culture. . . . Perhaps it would be better to say an 'optimum' of culture. Our civilization has not emerged from the Greco-Roman civilization; it is a continuation of it. The study of this civilization should not be refused *a priori* to anyone. We should open this door through which only the lame and the halt cannot pass."

Minister of Public Instruction: It is desolating not to be able to agree with you about this.

M. Bracke: . . . You cannot expose the little orchard trees, which become the fruit-bearing trees, some to the sun of the first zone, and others to the sun of the second zone. . . .

M. Henry Chéron, Minister of Agriculture: As Minister of Agriculture, I would oppose it, you may be sure.

M. Henri Lorin: . . . It is certainly to the classic culture that we owe the power of maintaining and developing our elite. . . .

My personal experience leads me to believe that the old Latinists are those who always make the best French grammars. A long time ago, when I learned grammar, I had the satisfaction of at least understanding the books that were put in my hands. Alas, now that it has become necessary for me, as father of a family, to try to interpret to our children the grammars since 1902, quite often I must confess my impotence in understanding them.

**A MENITIES** over a difference of opinion were interchanged between the president of the council and M. Victor Bérard, author of many books on world politics.

### A Trip to the Regions of Pure Delight Is Planned

President of the Council: M. Bérard—I was going to say his charming imagination, but he just now reproached me for having found him charming and I dare not use that word again.

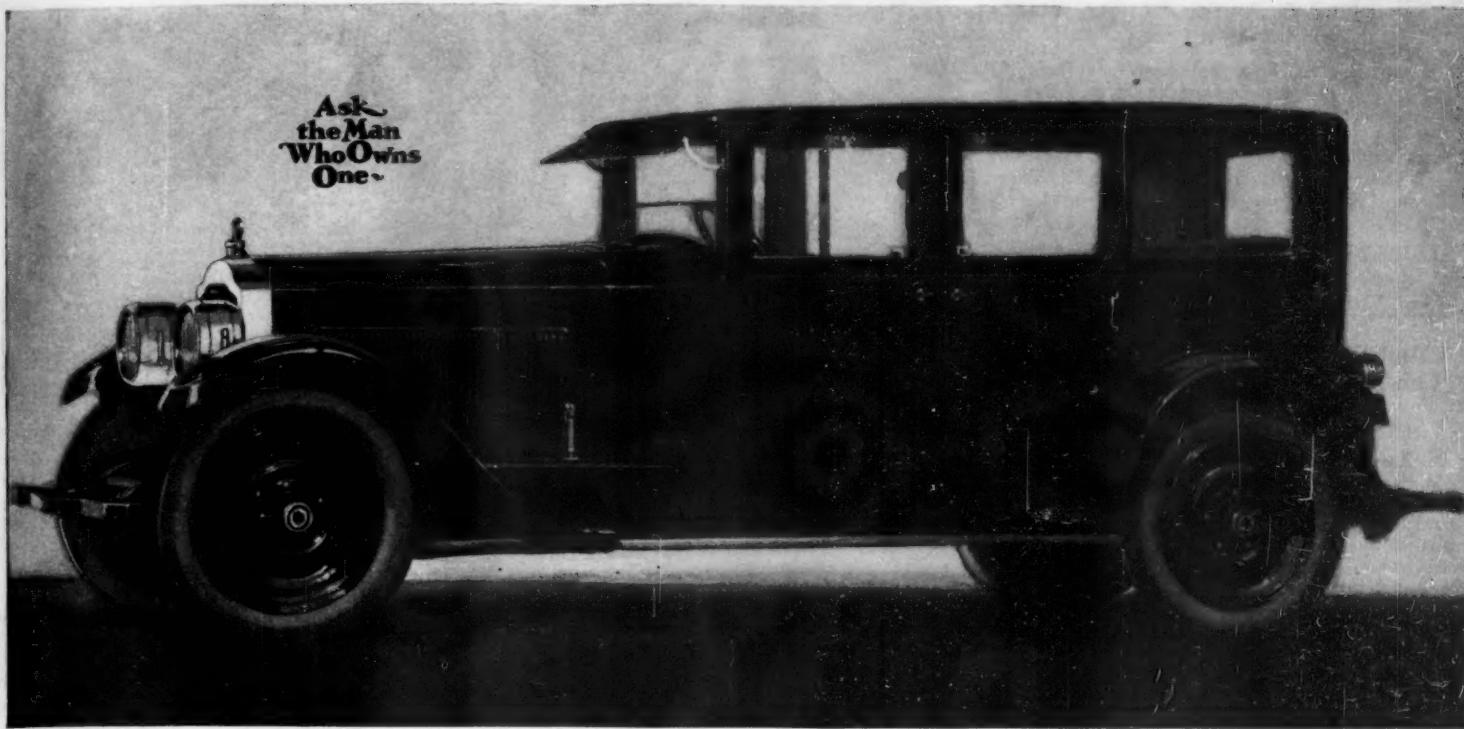
M. Victor Bérard: I accept the charm, but not the imagination.

President of the Council: There is no other word which comes to mind while I think of you and while I speak of you. First the charm, but—the imagination also. I have found proof in one of your masterpieces, on *The Odyssey*, that it is an enrapturing imagination.

M. René Héry: And exact?

President of the Council: You say "exact." It is there that I do not dare to follow you. It is of such charm that I am in revolt against reality.

M. Victor Bérard: Mr. President of the



## Why Owners are Enthusiastic

The announcement of the Packard Straight-Eight was followed by a buyer demand greatly exceeding production.

It became necessary almost immediately for Packard dealers to set delivery dates three and four months after orders.

Only now has Packard been able to build the Straight-Eight in sufficient quantity to meet demand.

The great public success of the Straight-Eight was no surprise—

Because this type was Packard's selection for its high-powered car, after 24 years of fine car engineering, and after building and testing all known types of multi-cylinder motors;

Because Packard's reputation for building only the best assured its instant and enthusiastic reception.

Now, however, Straight-Eight drivers know from experience

that this new Packard surpasses all other cars, both domestic and foreign.

This endorsement of the Straight-Eight exceeds any claim Packard has ever made.

Owners tell us the Packard Straight-Eight gives more in performance than any other car, and in addition—

### Study These Reasons for Straight-Eight Success

*Exclusive Packard Fuelizer which speeds up acceleration, shortens the warming-up period, reduces carbonization of spark plugs and valves, contributes to fuel economy and lessens crank-case dilution; heavy crankshaft with nine bearings, insuring maximum motor rigidity and durability; new design of steering gear which reduces friction to the minimum and automatically straightens the car out of a turn; three-fold lighting system; extreme depth of frame which gives unusual rigidity, tends to prevent squeaks and rattles and preserves alignment of doors and windows; beauty of finish and upholstery; completeness of equipment.*

"Unequalled smoothness of power flow;

"Ability in acceleration which no other type of multi-cylinder car can equal;

"Accessibility of parts which readily explains why Packard no longer builds V-type motors;

"Simplicity which no comparable car can claim;

"The easiest control of any car on the road."

Exclusive Packard four-wheel brakes contain no more parts than ordinary two-wheel brakes. They operate with exceptional ease and efficiency.

You will, of course, want to ride in and drive the Straight-Eight.

A demonstration will immediately show you why this new Packard is so successful.

# PACKARD STRAIGHT-EIGHT

*When writing to PACKARD MOTOR CAR COMPANY please mention the Nation's Business*

Council, when you can get five days of rest, we will take a boat together, and I will conduct you to all the places in The Odyssey, and if on returning you have not been convinced, I will pay all the expenses of the trip. But if you are convinced, you will pay them.

President of the Council: My dear colleague, I have taken the boat . . .

M. Victor Bérard: In bad company! They have not shown you things as they are!

HERE IS where coming elections cast their shadows before.

M. Fourment (addressing the Minister of Public Instruction): No doubt you have exacting friends.

**And Politics Concern Them**

Also

The Minister: No!  
M. Victor Bérard:  
Chéron, for example!

M. Louis Terre: And Leon Daudet!

M. Fourment: When they come into your office, I imagine that it is not always to speak about educational reform, or to interview you on the fine arts or poetry. They may very well sometimes acquaint you with their electoral difficulties, of the expiration of the term next year. . . . "It is this one who endangers the union of all the republicans of the left around your name." Then, Mr. Minister, you surrender, . . . you sacrifice to the national bloc some professors, some teachers. . . . Futile weakness, Mr. Minister, for you will never satisfy your friends on the right. They are insatiable.

M. Dominique Delahaye: I protest. I have never been able to get anything from M. Leon Bérard; he ostracizes us.

I defend him against the injustice of your accusation. There is no Minister more lax about claims than M. Leon Bérard—he is uncivilized.

President of the Council: I have taken it in company with your book. In the bay of Nausicaa, I read and looked at the pictures by which you tried to support your demonstration. It is that which has made me incredulous!

M. Victor Bérard: Mr. President of the Council, I am going to make an honest proposition. May we invite our colleagues of the Senate to go to the cinema? We will then show them the reel of the Odyssey, and they will vote.

NO PARLIAMENTARY debate could be complete without its hint of scandal, its charge and counter-charge, which, in this case, gives one a glimpse into the "liberated regions."

**It is then the House of the Father? or the House of the Son?**

The President had to remind the Chamber that "You have the duty to listen in silence," before Mr. Charles Desjardins could satisfactorily proceed:

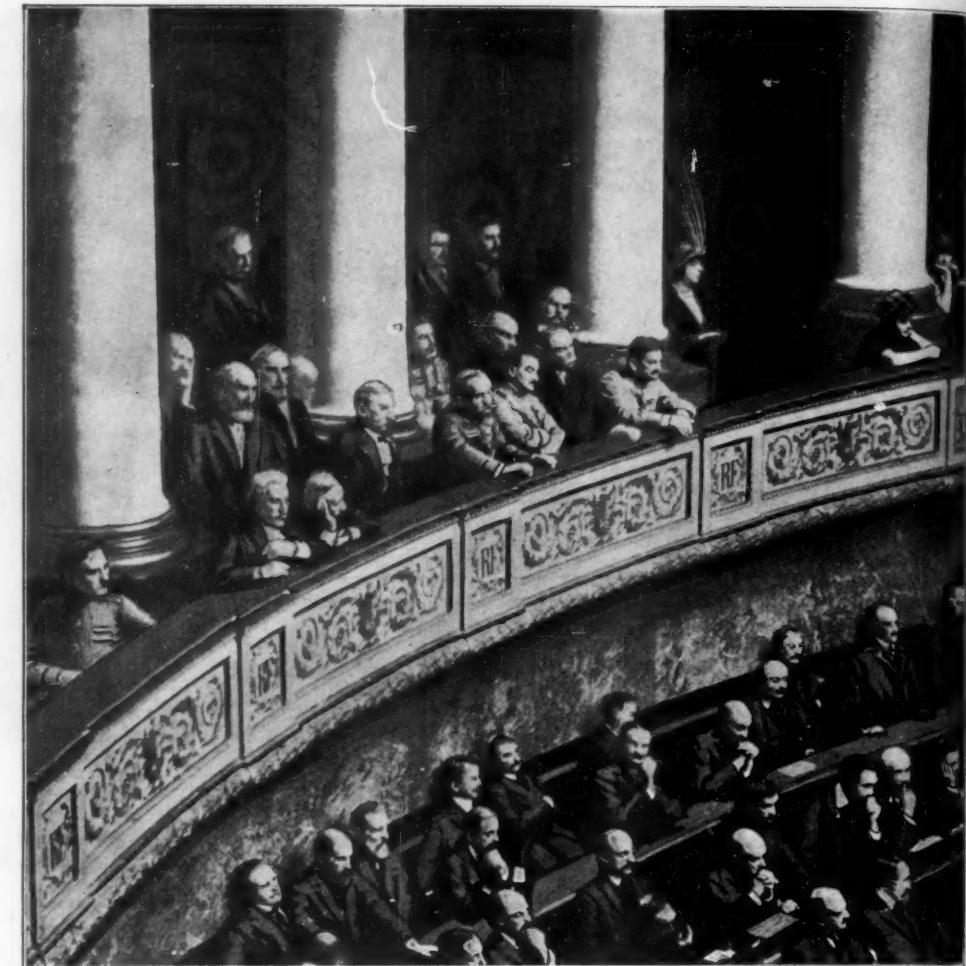
Mr. Inghels appears to me to be a very distinguished casuist. He declares that he has never said before this body that he has charged the brother-in-law of M. Loucheur. He declares that M. Ladreyt, whom we all know as the brother-in-law of M. Loucheur, had bought or constructed a chateau with money from the war damages; he has added that, on arriving at the railway station at Cysong, he was dumfounded at seeing this magnificent building, surrounded by a park.

I arrived at Cysong. I searched everywhere for a chateau; I did not see any. I made inquiry of the country people. They told me: "There is a house down there which they call the chateau." I found myself, in fact, confronted by a white house, a sort of villa, having five or six windows, surrounded by a little wood. This is the chateau! But by bad luck this house does not belong at all to M. Ladreyt.

M. Inghels: It belongs to his son.

M. Desjardins: It belongs to his son.

Here the mob spirit seems to have intervened with mirth, and M. Desjardins turned on the culprits: "Truly you have a singular



World War Celebrities Hear Clemenceau

Peculiar listening attitudes are adopted in the French Chamber. At a high point of a stirring speech by the famous "Tiger," Marshal Foch (at the right of the second pillar) leans his head musingly with both hands on the rail. Prince Alexander of Serbia sits with his back to a pillar, the first from the left. Generals Mondacq and Mangin at the left of Foch have postures all their own, and every deputy below has a notably distinctive pose of head or hand.

fashion of listening and of understanding. You break out laughing at nothing, because I tell you that this house does not belong to M. Ladreyt, that it belongs to his son, and you think that you have in that distinction a charge against him. But I am not betraying any professional secret if I say that M. Ladreyt had broken off all relations with his son. . . .

M. Inghels: That does not interest us.

M. Charles Desjardins: How! That does not interest us. . . . To be exact, the son had bought the house after his complete rupture with his father. . . .

Am I not right, gentlemen, in saying in my report that M. Inghels has made an incorrect and false statement when he said that M. Ladreyt had built a chateau with the war damages?

M. Inghels goes too far. He has even said that M. Ladreyt cleaned the ditches about his chateau through the reconstruction service. Perhaps it was some ditches, M. Inghels, where frogs croak, which perhaps some evening have prevented you from sleeping!

M. Inghels: Will you explain? We have not understood the allusion, which might be offensive if interpreted in a certain way.

M. Charles Desjardins: The pleasantries, which I admit having made, M. Inghels, involves you in no way. . . . I went to the house in which M. Ladreyt lives. It is a little house, which has exactly three windows in front. It is built of bricks, without any ornament, simply put together, with a sloping roof of tiles. It is a little house for a foreman, surrounded by a little garden, in which there are some beautiful

rosebushes, evidently well tended, near to the factory walls.

There, you have the chateau of M. Ladreyt; there you have his park. . . .

THE UNPRECEDENTED heat wave of last July in Paris invaded the Chamber of Deputies at a time when the subject of oil was under discussion.

**Debating Oil** This subject, which mythology indicates has a soothing effect upon troubled waters, does not, so far as mythology, history or literature re-

veals, have that influence upon the troubled spirits of mankind. Amid allusions to the Treaty of San Remo, to Mr. La Follette's investigation, to Standard and Royal Dutch and the rest of it, M. Charles Baron broke out at the Minister of Commerce:

"You have handed over your country, in ignorance no doubt, to the foreigner."

Minister of Commerce: Oh, Monsieur Baron.

M. Charles Baron: Not you, it is well understood. But governments which have gone before you. It is a crime of high treason.

President of the Council: Monsieur Baron, you must not speak thus, nor interrupt so often.

M. Charles Baron: They talk about oil, the most inflammable of all materials. And damn! At 32 degrees of heat!

The President of the Council: That is no reason for taking fire yourself.



## What does your banker think of the motor car?

A DENVER BANKER makes this interesting comment:

"The benefits resulting from the use of the automobile in the West can hardly be fully appraised. One of our leading industries, that of cattle and sheep raising, is of necessity carried on in isolated sections. The Western farmer, unlike his Eastern competitor, is far from a source of supplies, far from a market, and far from congenial companionship and amusement.

"The automobile has practically destroyed this inequality. Today a paved road runs by the farmer's gate. He receives his morning paper as early as I receive mine. He visits his friends here with as little inconvenience. He enjoys practically the same social and economic advantages as the city dweller.

"The credit for these benefits is due to the automobile. It has brought the farmer nearer to market, making him a more intelligent producer and a more successful business man. Its larger use has been reflected in a more satisfactory rural life and more rapid farming development."

*A General Motors booklet will be mailed you, if a request is directed to the Department of Publicity, General Motors Corporation, New York*

# GENERAL MOTORS

BUICK • CADILLAC • CHEVROLET • OAKLAND • OLDSMOBILE • GMC TRUCKS

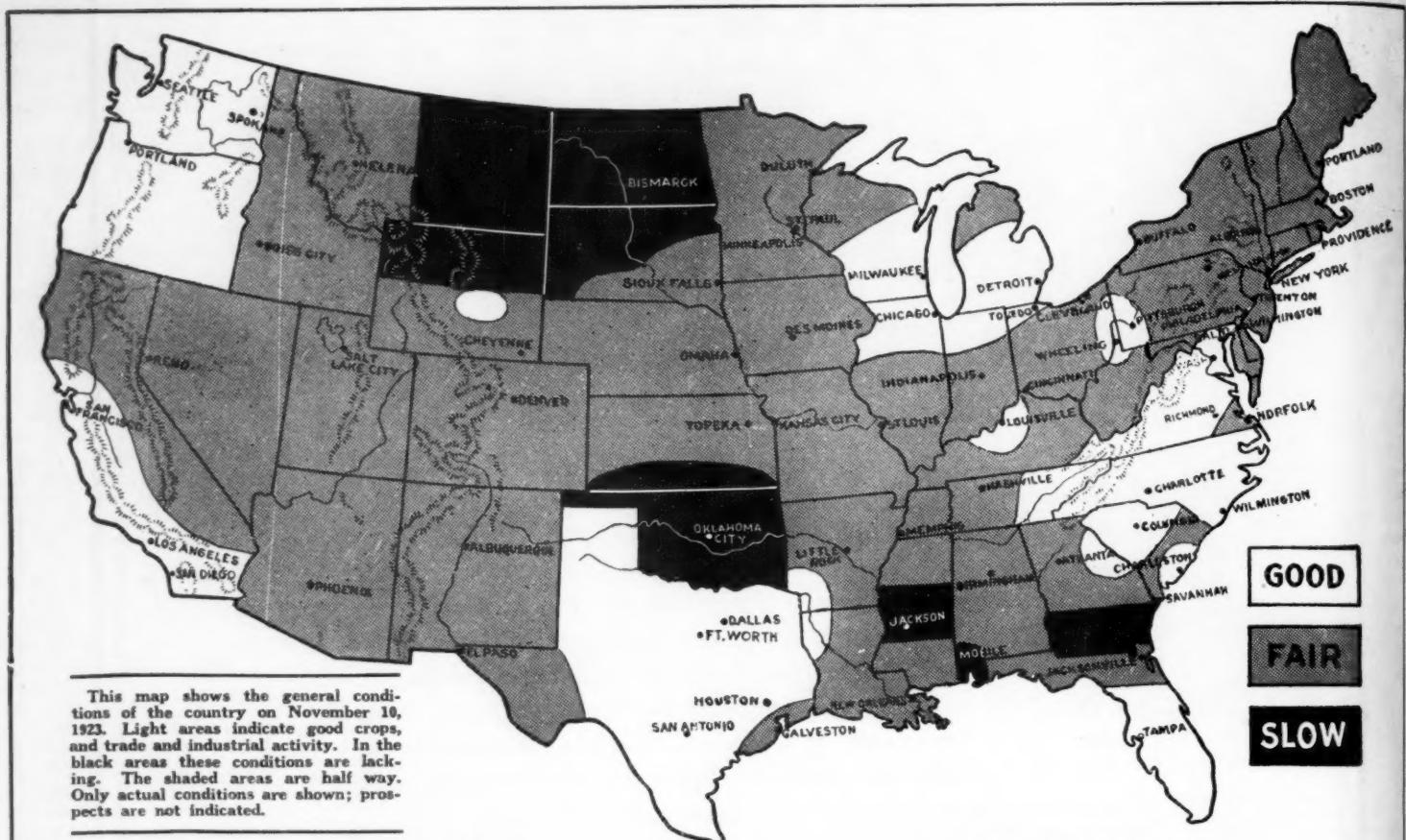
Delco and Remy Electrical Equipment • Harrison Radiators • New Departure Ball Bearings  
 Hvatt Roller Bearings • Jaxon Rims • Fisher Bodies • AC Spark Plugs—AC Speedometers  
 Brown-Lipe-Chapin Differential Gears • Lancaster Steel Products  
 Inland Steering Wheels • Klaxon Horns • Jacox Steering Gears  
 Dayton Wright Special Bodies • Delco-Light Power Plants and Frigidaire

- United Motors Service provides authorized national service for General Motors accessories •
- General Motors Acceptance Corporation finances distribution of General Motors products •
- General Exchange Corporation furnishes insurance service for General Motors dealers and purchasers •

# The Map of the Nation's Business

By FRANK GREENE

Managing Editor, "Bradstreet's"



The Business Map of Last Month



The Map of a Year Ago



AS THE year advances to its close, as the real proportions of the volume of the country's trade and industry in the past year become more clearly defined and finally as the tumult and the shouting of the business prophets become stilled while they busy themselves in preparing their forecasts for the new year, it is beginning to be more clearly perceived what a really good year the country as a whole has had in the past twelve months.

As this has occurred in the face of some gloomy predictions from April onward, there seems to be a feeling growing in the public mind that some of the longer-range predictions of poor business next year, mainly because it will be a presidential year, may go astray just as widely as did those for the

latter part of 1923, and that a pretty good year impends for business.

Certainly the past few weeks have seen a much more cheerful view being taken by many who had previously "walked in the fear of the forecaster." It is not to be intimated here that the situation has been without its drawbacks. That would be asking for the arrival of the millennium and no one to our knowledge ever saw a millennium in business any more than anyone ever saw a panic occur precisely as advertised.

But it must be said that any year that has seen all records broken in the building trades, in automobile manufacture, in iron output, in live-stock marketings, in railway volume, in value of transportation, in general levels of

wages and employment and the weather aiding, probably seeing a new high record set up in holiday trade, cannot be regarded as just an ordinary year.

If it were, the drawbacks of slow buying for distant positions, chiefly for next spring and beyond, uncertainties as to future prices, high costs of overhead operations in business and of materials and labor in industry, the short yields of crops in various sections, the restricted volume of our export trade and the unseasonably mild weather ruling throughout a good part of the fall might have made more marks on business than they did.

That profit margins have been smaller and that net returns even in favorable instances have been restricted is certain but, on the

other hand, the consensus will, we believe, be that if as good a year lies before us as this has proved to be, there will be little room for complaint.

At this time of the year interest as regards distributive trade largely centers on the volume of retail buying. This, so far as obtainable statistics show at this time, was really good during November. If the combined sales of mail-order houses and of chain stores are taken as a guide, November sales exceeded a year ago by 12.7 per cent, although they were 5.5 per cent below October.

Allowing for the big mail-order and chain-store organizations getting more than their relative share of gains, there is still a margin of gain left for the ordinary retailer over last year; and this in view of the good trade a year ago and the fact that November, 1922, showed gains over gains in 1921, is additional evidence that the ordinary retailer in spite of mild weather throughout the month, heavy rains, poor country roads, short crops in parts of the South and Northwest, and other drawbacks, did on the whole a pretty good business.

#### Chain and Mail Sales Up

FOR ELEVEN months of this year, mail-order and chain-stores sales combined are 23.8 per cent heavier than last year, this combined business representing a total of over \$600,000,000. As regards the farmer's buying ability it might be noted that mail-order houses alone this year report an increase of 30 per cent over last year, which in turn gained 8 per cent over 1921, while as compared with 1920, when prices were nearly 40 per cent higher than this year, the decrease in value of sales is less than 10 per cent. From all this it may be deduced that the volume of retail trade this year exceeded that of the hitherto best year on record, 1920.

Wholesale business in November tended to quiet, price uncertainties holding back buying for the further future, that is, for spring and beyond; but it might be noted that the uprush of raw cotton in November, prices for that staple advancing over 6 cents, induced some buying of cotton goods for spring. Here indeed, if anywhere, there has been something like a "buyers' strike" not among consumers, but by jobbers and retailers alike who have felt disinclined to purchase heavily at present prices.

#### Buying Ahead on Increase

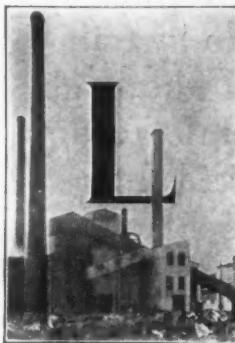
COINCIDENTALLY the mills have not manufactured heavily, northern mills curtailing, but it is conceded that advances in cotton goods have not been nearly as great relatively as has the advance in raw material. While collections improved a trifle in November, in that month as for a year past, they have seemed to lag relatively behind trade itself.

Perhaps the most notable example of buying ahead at wholesale in November was that witnessed in the pig iron market. In the last two weeks of November nearly 1,000,000 tons of pig iron were bought, and the price which had shown a drop of fully \$10 a ton from the year's peak stiffened from \$1 to \$2 per ton. Coincidentally, scrap material, often a guide in this trade, also advanced. With all the talk of reduced operations in iron and steel the fact remains that pig iron production, while well below that ruling at the peak in May, will for 1922 exceed that of the year 1916, the hitherto peak total, and ingot steel production will fall little below the high record of 1917.

As already intimated the railroads have done very well this year. Car loadings are 15 per cent better last year and 9 per cent ahead of

## INDUSTRIAL POWER FROM A TO Z

(Automobiles to Zinc)



EAD—in the Stone & Webster list of industrial power work, stands for successful service rendered the St. Joseph Lead Company in the design and installation of a 1536 boiler horse power plant to burn pulverized coal at Rivermines, Mo. The usual fuel is Southern Illinois bituminous coal, but the plant is designed to burn any fuel available.

Other recent Stone & Webster power plants are burning with equal success such low-grade fuels as waste from bituminous mines and river-dredged anthracite.

Stone & Webster steam power installations now total a million and a quarter horse power. Among scores of plants built there are doubtless some which will point the way to a satisfactory solution of your own power problem.

## STONE & WEBSTER INCORPORATED



NEW YORK, 120 Broadway  
SAN FRANCISCO, Holbrook Bldg.

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BOSTON, 147 Milk Street

## Defining our new specialized service to out-of-town customers

A SERVICE may be said to be specialized only when it is performed by a man or a group of men who by training and experience have a thorough understanding of the several factors underlying the problems laid before them. It is only through such understanding that an accurate and satisfactory solution of these problems can be reached.

The Irving-Columbia's "Out-of-Town" Office is not a mere department handling a routine volume of work. It is a separate unit with a separate staff composed of men who through training and long contact understand the problems of business throughout the country.

Members of this staff through business association are thoroughly conversant with current conditions in different sections of the country. They are therefore entirely appreciative of the particular needs of every correspondent and are alive to the importance of accuracy and dispatch in handling all out-of-town business.

An inquiry addressed directly to our "Out-of-Town" Office will bring details of its complete facilities.

### IRVING BANK-COLUMBIA TRUST COMPANY

Member Federal Reserve System

NEW YORK CITY

the record year 1920. This is reflected in the earnings, those for October, for instance, showing a gain in gross receipts of 7 per cent over October last. Operating expenses increased by only 4 per cent and net operating income, which is what is left after all expenses are paid, applicable for bond or stock dividends, was 20.5 per cent better than last year.

The total net operating income for October, in fact, has only been exceeded in three months in the last seven years, and two of those months were in the war year 1918. Net operating income for ten months this year will run to \$821,000,000, an increase of 34 per cent over last year. If the gains for 10 months in gross receipts and net operating income are maintained for the year, a total gross on the Class 1 railroads is indicated of \$6,500,000,000.

#### Net Income Less Per Unit

THIS is far in advance of anything previously noted, but applying the 34 per cent increase on net operating income over last year, a total of only \$1,013,000,000 is reached. This of course is far better than last year, but compares with the net operating income of \$1,040,000,000 in 1916, when gross receipts were 44 per cent less. In other words, the railroads have had to do nearly double the business they did in 1916, to get less net revenue than they did in that year.

Examination of the November and eleven-months measures of movement, while revealing irregularities, at the same time point to confirmation of statements made above that the past year has been on the whole a pretty good one. For eleven months the failures numbered 17,292, with liabilities of \$549,542,816, a decrease of 16 per cent in number and of 8.8 per cent of liabilities from last year, while compared with the depressed year 1921, a decrease of 1.6 per cent in number and 18.5 per cent in liabilities is shown.

Eleven months' bank clearings this year at 117 cities have totaled \$361,321,000,000, a gain of 5 per cent over last year, but a decrease of 8.7 per cent from the peak year in prices and clearings of 1920. New York City clearings have lagged behind the rest of the country, losing 2.2 per cent from last year, whereas outside of that center, the gain is 15.4 per cent.

#### Prices Continue To Climb

THE MOVEMENT of prices in November, as indeed in the preceding three months, was evidence of the better feeling, which has shown itself since midsummer, although it also reflects the influence of the immense crop damage done at the South, because the advance in cotton and cotton goods has been an important lever in lifting the level of prices as a whole.

The December 1 price level was in fact the highest since May 1 this year, the gain from August 1 was 4.8 per cent and the decrease from December 1 a year ago was only 2.5 per cent. From the low point of the depression of 1920-21 reached on June 1, in the latter year, the present number marks a gain of 26 per cent, but it was 35.6 per cent below the high point of February 1, 1920, though 54.3 per cent above the pre-war level of August 1, 1914.

Among the large industries, those connected with fuel and light, soft coal and petroleum were depressed in November as for some months past. Soft coal production reached its peak in 1918, but output to date this year is only 6 per cent below that peak. November prices were the lowest of the year, and hundreds of mines are reported to have closed.

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these, probably the most of them, the more expensive, thin-seam propositions.

Petroleum production definitely turned downward in November, but it is questionable whether this will prevent a further gain in stocks of crude now above ground, which have been increasing for two years. Gasoline consumption has been enormous at the lower prices quoted, and stocks have certainly decreased.

The mild weather of November was favorable to the finishing up of many building jobs, which otherwise would have been carried over until spring. Weather permitting, a great deal of winter building is going to be done late this year and early in next. October's new plans were the third largest in the country's history and November's total will show a considerable shrinkage from that; but the year's aggregate at 175 leading cities will not be far from \$3,100,000,000, an amount greater by \$600,000,000 than in the hitherto peak year 1922, not far from double that of 1921, and seven times that of the war year 1918, while all signs point to 1924 being another big year.

#### Huge Jump in Auto Sales

AUTOMOBILE production has defied all predictions, and the estimate for the year, 4,000,000 cars and trucks, will exceed that of the peak year 1922 by nearly 60 per cent.

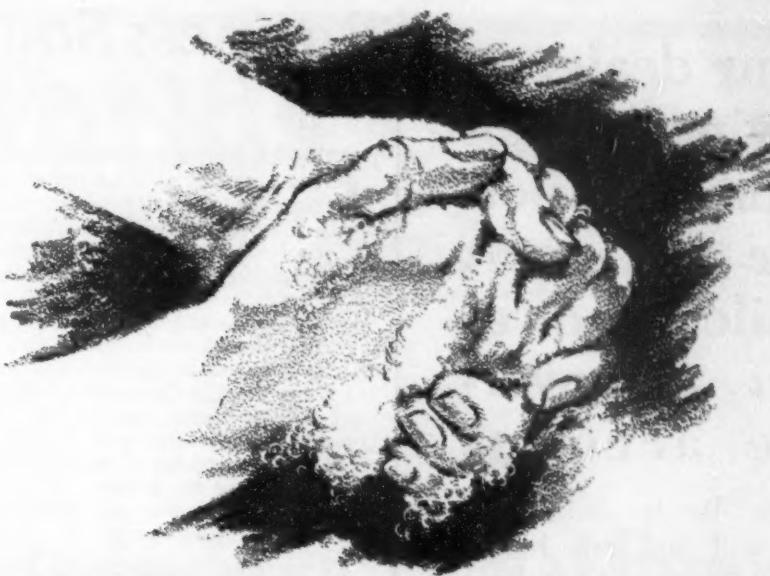
As the map of THE NATION'S BUSINESS shows, one of the poorly situated areas for some time past has been what was once known as the old Spring Wheat Northwest. Explanation of this has been had in a report made to the Federal Reserve Bank System by the chairman of the Minneapolis Federal Reserve Bank, who says that the depression there has been a working out of conditions generated by the great war.

He points out that things were over-extended in the entire northwest and that North Dakota especially was "over banked" with unwise credit extension a feature. Recent press reports from the Northwest point to a correction of this condition, suspensions of banking institutions having been very numerous in the state mentioned. He says also, however, that correction of these conditions is well advanced and he strikes a familiar note when in tracing the causes of some 19,000 farmers getting into difficulties in the recent few years he shows that lack of knowledge of farming, unwise extensions, and lack of capital, all causes classable as due to the individual, are cited as reasons for the difficulties in which these farmers have found themselves.

#### Favorable Auguries for 1924

PREDICTIONS as to the future are out of place here at this time, but it might be observed that while a number of unfavorable elements bearing on next year's prospects have been cited, there are some favorable things in view. Not the least of these has been the courageous stand taken by Secretary Mellon and President Coolidge on the subject of tax reduction to which it is evident the country has rallied without regard to political affiliation.

On the unfavorable side coming early in the year might be ranged the expected demand by the soft coal miners for further concessions. It may be that these demands will prove to be smoke screens designed to protect the present scale of wages, but regarding this it might be said that the irresistible logic of costs is bringing about corrections. What, in short, will it profit a miner to gain all his union demands and not have any work to do.



# LIQUA-SAN

## The Liquid Soap-

Liqua-San is a pure and soothing Liquid Soap that is absolutely standardized in quality and price. Its outstanding advantages over ordinary products are:

- 1 Pure and always the same—made by the laboratory method from edible vegetable oil
- 2 Sold at one standard price everywhere Costs no more and probably less than bar soap
- 3 Lathers instantly in any water
- 4 Cleanses thoroughly and quickly
- 5 Soothing—almost like a lotion to the tenderest skin
- 6 Quicker and more convenient in use
- 7 Sanitary—safeguards health

It is sold through leading Office Equipment Dealers everywhere. If your dealer does not have Liqua-San send us his name and we will see that your order is filled promptly.

*"Touches Nobody's Hands but Yours"*

GRAVITY DISPENSING SYSTEMS  
OR INDIVIDUAL DISPENSERS  
FURNISHED AT ACTUAL COST

#### ALSO MAKERS OF

*Zef-ir Air  
Sweetening  
Bloks and  
Crystals*  
*Bingo  
Clogged  
Pipe Opener*  
*Disinfectants*  
*Insecticides*  
*Silk Floss  
Shampoo —*



*The*  
**HUNTINGTON  
LABORATORIES**  
INCORPORATED  
*Huntington Indiana*

## Your dealer is buying from your competitor for cash while he owes you an overdue account

While he is delinquent, you will not sell him—but he does not do without goods in your line. He buys a comparative line from other sources, for cash if necessary.

## While the account remains in this condition you lose both ways

You lose your investment in your dealer and you lose the continuity of his retail outlet—your contact with the public is broken at that point. The channel through which your goods flow to the public is clogged—that costs.

We put your debtor on a satisfactory remittance basis, removing the obstruction to further sales. We collect your overdue account and increase the debtor's respect for your business methods. We make him a better business man, less apt to again fall in arrears—do it quicker and for less.

We do this consistently for more than four thousand leading manufacturers—we could not hold these clients if our service was not helpful. Let us explain it to you.

### UNITED MERCANTILE AGENCIES

United Building, Louisville, Ky.

Our clientele confined to  
Manufacturers, Banks  
and National Distributors



America's Foremost Collection Agency

# Business Sound; Needs No Boom

By ARCHER WALL DOUGLAS

HERE is a growing conviction that there lies ahead of us a period of intelligent planning and constructive work if we are to reach solution of the many problems that confront us. So general opinion pays scant attention to the pronouncements of coming prosperity which are given out, even though they come from those in high places.

It is true that we made definite and substantial progress in the past twelve months, but there is still the memory of the false start of last spring, and of the premature boomlet that "petered out" in such fashion as to create suspicion of similar talk and of like results. So the tendency is to go slowly and cautiously until we can better divine the future and its likelihoods.

### Measuring Production to Demand

WE NOW realize that under present conditions we can make more goods than the domestic demand can consume. All lines of manufacture, save those that cater more immediately to building and construction, are experiencing this and are more apt to budget their future production on orders in hand than on prospects and prophecies.

Pig-iron furnaces were blown out because they overstayed their market last summer, and found prices dropping because of oversupply. By the same token, it does not seem likely that there will be any finality of prices during the winter and early spring other than dictated by the operation of the law of supply and demand. It promises to be a period of opportunism rather of such definite trends as can be comprehended and forecast. This is apparent in shoes and leather goods where it is a selling rather than buying proposition.

In zinc and lead, where demand has somewhat advanced prices, and in the crude forms of iron and steel, where prices have fallen or risen within narrow limits as orders materialized or were withheld, there is not the same concern about not getting goods unless due provision be made that characterized the early spring of a year ago.

The furniture industry that not so long ago was swamped with business is content with a fair volume of orders that express immediate wants in that line. Cotton mills have slowed down production as the continuing high price of raw cotton makes it an increasingly difficult problem as to how the consumer will stand the increases. A reflection of this condition comes from Lancashire, where many of the mills are running half time because of the shortage of cotton, and the high price which is cutting the sale of cotton cloths.

### Around the Buying Circles

THEN the story is tied in with another hard-luck tale of how the Chinaman used to sell soy beans to Germany and bought Lancashire cotton with the money thus obtained. Now Germany is too poor to buy soy beans, or much of anything else, and the Chinaman consequently cannot buy Lancashire cloths. Apparently, as in the nursery rhyme, if somebody will start Germany going, everything else will be in motion.

Automobile distribution shows the usual seasonal slowing down, and automobile tire sales are another example of the results of heavy production that is now most concerned in ways and means to reduce its stock on hand. This like desire to bring down inventories to the lowest practicable amounts by

January stock-taking pervades all lines of business and is responsible for many of the bargain sales, under various names and guises that are characteristic of all sections.

It also indicates that there is no general expectation of advancing prices, save in cotton textiles, but rather the feeling that the course of prices will depend mostly upon the size of the orders to be placed. Or, in business parlance, it will be largely a buyer's market, and yet one that does not seem likely to suffer sudden or serious declines.

The period of liquidation in stocks or merchandise bought at war prices is largely over, which is tantamount to the comforting report that the patient is in the final stages of convalescence. Likewise the moderate declines in manufacturing output are accompanied by comparatively small increase in unemployment, and very few reductions in wages.

The staple commodities of building and construction, lumber, cement and brick show only the slowing down in production and sales that comes with the opening of winter.

The holiday trade promises to be very good in the large cities, but on a lesser proportionate scale in the towns and villages and much in accordance with the condition of the surrounding farming territory.

The conservatism in buying and commitments that dominates the situation finds expression even in localities where crop conditions are good and money in abundance. In the rich country in northern-central Texas, farmers have paid up all back debts and still have some money left, but cannot be induced to purchase more than their needs call for.

### Western Savings on Increase

THE SAME condition holds in some of the great cities in the Central West where labor is employed at high wages on building and construction, but is putting more money in saving deposits. The free spending now is an entirely different matter from the extravagance of war times.

Matters in agriculture are doing well enough save in those poor spots in the cotton and wheat sections where there is not much hope until another crop comes around. Naturally there will be less wheat sown this fall.

Corn and wheat hold their modest advances. The quality of the new corn is not always of the best and it will soon be apparent that current estimates of the merchantable corn raised this year are much over the mark.

High-priced cotton is the inevitable result of the final realization that the estimates all along were merely wild guesses. It should be a warning as to the need of more facts and fewer mathematical equations. Low and unprofitable prices of hogs militate against business activity in such sections as did not raise enough feed for their own livestock, and hog cholera is more serious than for several years.

The growing winter wheat crop is in fine condition with moisture generally sufficient, and the cattle ranges of the West are in better shape than for some time. Buying on the countryside is plentiful in orders for immediate wants but not heavy in volume.

The most significant information that comes to me from all sides is the growing cohesion of organizations among farmers. Few things are more certain than that the coming of prosperity will wait upon the fulfillment of some of the constructive matters that farmers' organizations have set out to accomplish.

## Business Vote Approves National Forestry Policy

A NATIONAL forestry policy to insure a permanent future supply of timber for the nation, was approved by the Chamber of Commerce of the United States through a referendum vote just completed among more than 1300 business organizations, making up the National Organization's membership. This Forestry Referendum (No. 42) was based on recommendations in a report prepared by a committee composed of representative lumber operators, lumber users, foresters, and the general public, from various sections of the country.

### Based on Thorough Studies

THE COMMITTEE devoted over a year to intensive study of the subject in all its phases, in the course of which it visited practically all of the important timber-producing regions, including the Pacific Northwest and the South, and made personal studies of forest conditions and lumbering on the ground. Few referenda have attracted more interest, the actual vote, in fact, being the largest referendum vote in the history of the Chamber. Not only were important lumber associations active in their consideration and discussion of the issues involved, but the Chamber's membership was circularized by foresters of national standing.

Seven of the eight specific proposals recommended by the committee and voted upon in the referendum, carried by wide majorities. The recommendation which did not carry (the Chamber's rules require a two-thirds majority), proposed a National Forest Council which should be advisory to the Secretary of Agriculture in forestry matters, to serve without remuneration. Although this recommendation did not carry by two-thirds majority, it lost by only a few votes, the actual vote being: For, 1358½; against 701½; necessary to carry, 1373. In its report, the committee stated that it believed the setting up of this council would be a step in the direction of bringing about a better understanding between business and Government. The proposal, however, evidently carried too much of a suggestion of a new commission or board, to be acceptable to the American business man. The defeat of this recommendation, however, does not affect the general program recommended by the committee, as covered by the seven other recommendations.

### Ballot on Several Points

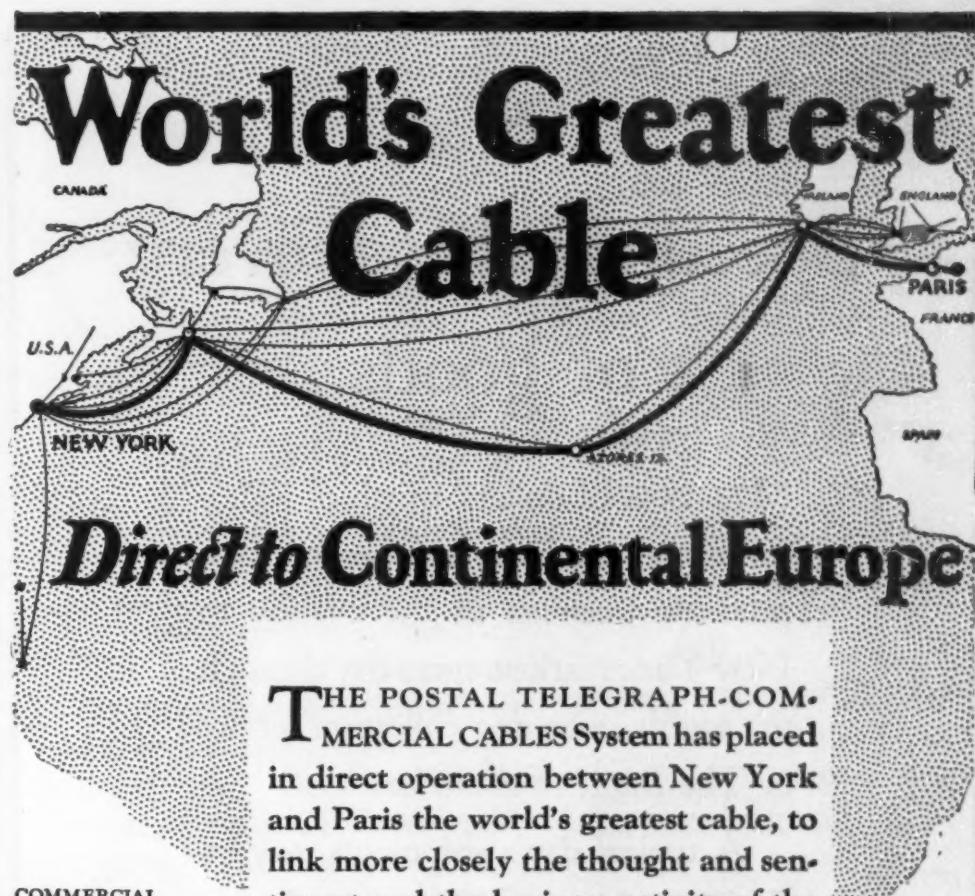
THE RECOMMENDATIONS submitted and vote on each follow:

1. "That the federal government should, for protection of headwaters of navigable streams and to the extent permitted by existing law, acquire, reseed, and replant waste lands on which reproduction of forest growth cannot be obtained by natural means, with discretion in the Secretary of Agriculture to prefer lands in states which provide at least an equal amount of funds for acquisition of such lands. For, 1887; against, 201.

2. "That states and municipalities should acquire, reseed, and replant the remainder of such waste lands. For, 1887½; against, 196½.

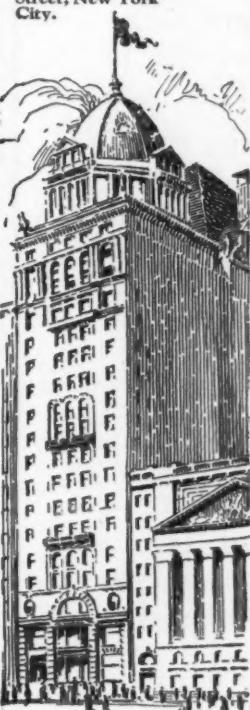
3. "That Congress should enact new legislation with reference to other classes of timberland, to make provision for cooperation of federal government, state governments, and timber owners in protection and reproduction of timber. For, 1724; against, 356.

4. "That such new federal legislation



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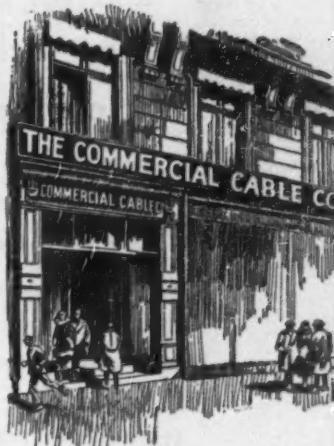
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should condition use of federal funds upon the state:

Having a forestry or conservation commission; Formulating a code of forest management acceptable to the federal Department of Agriculture and aimed to secure continuous forest production, observance of the code to be obtained through voluntary agreements entered into between the proper public authorities and the land or timber owners of considerable areas within the state;

Maintaining adequate protection of timberlands from fire, with funds coming from state and private sources at least equal to federal funds used for this purpose;

Basing taxation of growing timber upon the principle of the yield tax, with reasonable uniformity among the states in such taxation. For, 1556; against, 523.

5. "That Congress should create a national forest council to have functions of advice to administrative officials and a membership of nine, one to be the federal forester and the others to represent views of public, timbermen, and foresters, members of the council to serve without remuneration. For, 1358½; against, 701½; necessary to carry, 1373. The Chamber is consequently not committed to this proposition.

6. "That Congress should provide for a national survey and inventory of forest resources. For, 1761½; against, 292½.

7. "That Congress should increase the federal appropriations available for protection of timber-lands against fire. For, 1987½; against, 98½.

8. "That Congress should provide for enlargement of federal research and experiment in forest products. For, 1908½; against, 164½."

A large part of the vote against Nos. 1 and 2 undoubtedly arose from an interpretation that these recommendations would preclude the workings of the present Weeks Law which provides for the acquiring of lands already covered by mature or second-growth forests. The committee's position, however, is that the recommendations to acquire waste lands were intended to enlarge the scope of federal power and not to limit the workings of the Weeks Law in acquiring forest lands.

The opposition to No. 4 rested in large part on the thought that the imposing of the four basic requirements on the states as conditions of securing federal funds, was too drastic. It was the thought of the committee, however, that ample time and reasonable opportunity should be given the states in which to comply with these conditions.

The personnel of the committee, all of whom approved the report in full (except Recommendation 5 not approved by Messrs. Keith and Knapp) was:

Goodwillie, David L.: Lumber and box manufacturer, of Chicago; member of firm of Goodwillie Brothers; chairman, Chicago Zoning Conference of 1919; member, board of governors, National Box Association; vice-president, American Forestry Association; chairman, Central States Forestry Conference; secretary, Official Mission of the United States to Brazilian Centennial, 1923.

Baker, Hugh P.: Forester, of New York; secretary-treasurer, American Paper and Pulp Association; formerly dean, New York State School of Forestry and forest assistant in the United States Forest Service.

Browne, Junius H.: Manufacturer and owner of redwood, of New York; vice-president, Pacific Lumber Company, conducting lumbering operations in California; member of Forestry Committee of National Lumber Manufacturers' Association.

Drinker, Henry S.: Educator, engineer, and

lawyer, of Merion Station, Pennsylvania; president emeritus of Lehigh University; member, Pennsylvania State Forest Commission; formerly engineer and subsequently general solicitor, Lehigh Valley Railroad; formerly president, American Forestry Association, Pennsylvania Forestry Association, etc.

Fletcher, John: Banker, of Chicago; vice-president, Continental Commercial National Bank; member of the Chicago Association of Commerce and of the Illinois Bankers' Association.

Heinemann, W. B.: Manufacturer of hardwoods and timber owner, of Wausau, Wis.; president, B. Heinemann Lumber Company; member, Northern Hemlock and Hardwood Association.

Keith, Charles S.: Lumber manufacturer, timber owner and coal operator, of Kansas City; president, Central Coal and Coke Company, Delta Lumber Company, Louisiana and Texas Lumber Company, Oregon-American Lumber Company, etc.; director in the National Lumber Manufacturers' Association and Southern Pine Association; formerly a director of the Chamber of Commerce of the United States.

Knapp, F. C.: Lumber manufacturer, of Portland, Oregon; after engaging in lumber business in Michigan, went to Oregon; president, Peninsula Lumber Company, etc.; vice-chairman, Portland Commission of Public Docks; formerly president, Portland Chamber of Commerce.

Quincy, Charles F.: Manufacturer of New York; president, Q and C Company, manufacturers of railroad supplies; chairman, board of directors, Dorr-Miller Differential Company; formerly treasurer, American Forestry Association.

Shepard, Harvey N.: Lawyer, of Boston; formerly member of Massachusetts State Forest Commission; president, Massachusetts Forestry Association.

### To Poland by Radio Direct

THE RADIO Corporation of America has opened direct radio telegraph service between New York and Warsaw, Poland.

The equipment used in the station is all of American manufacture. It was shipped to Poland and installed by American personnel, the towers, however, being made in Polish factories and erected by the Poles. The tests were conducted by American personnel, and now that the station is in operation, American operators are handling the messages in Poland. In addition, the erection of this station for the Polish Government was financed by American capital, the Radio Corporation of America having accepted a small cash payment, the remainder of the cost of the apparatus and installation being paid in Polish government bonds due about ten years after the signing of the contract.

The transmitting apparatus at the Warsaw station consists of Alexanderson alternators, manufactured by the General Electric Company, of the type used in the American transmitting stations of the Radio Corporation of America. The transmitting antenna is supported on ten steel towers, each 400 feet in height, while the receiving antenna is strung on a line of telephone poles extending several miles from the receiving station.

A striking instance of the increased speed of communication was given by the fact that although messages were sent immediately to all foreign governments by cable upon the occasion of the death of President Harding, the information had not been received in Warsaw the next morning when the radio station began its test with the American station. Accordingly an entire column from the *New York Times* of that date was at once transmitted to Warsaw by radio, giving full details.

One of the most important features of the opening of the direct service has been the reduction in the rates on radiograms to Poland from 36c. per word to 29c. per word.



The small home pictured above is Long-Bell Plan No. 700. Most retail lumbermen can show you floor plans of this home, or will obtain them for you.

## Which Home will you choose?

TWO kinds of homes are being built. One begins to depreciate somewhat rapidly within a few months or a few years. The other maintains long-time investment value. The difference in cost between the two is surprisingly slight.

When *your* new home is being planned, a good question to ask is, "How long will my home be worth the money I am putting into it?" The answer to that question rests in the dependability of materials and construction.

You can know the lumber you buy. Long-Bell trademarked lumber is safeguarded in manufacture to give the utmost building value, and trademarked on the end of the piece so that you may identify it.

### Why

#### LONG-BELL LUMBER IS DEPENDABLE

- 1-It comes from virgin forests.
- 2-Each log is cut and manufactured for the purposes to which it is best adapted.
- 3-Milled in our own mills, all operating with modern machinery and efficient supervision.
- 4-Unsurpassed accuracy and thoroughness at every step of manufacture.
- 5-Surfaced (planed smooth) four sides.
- 6-Unusual care in trimming.
- 7-Full length—uniform in width and thickness.
- 8-Uniformity of grading.
- 9-Uniform seasoning.
- 10-Lower grades receive the same care and attention as upper grades.
- 11-Correctly piled and stored—carefully shipped.
- 12-Minimum of carpenter labor—planing, sawing and sorting—necessary to put into construction.
- 13-Minimum of waste, due to uniform quality.
- 14-The product of a lumber company 47 years in the business.
- 15-Long-Bell Lumber can be identified by the Long-Bell trade-marking the end of the piece.



Everyone planning a home and everyone now building a home should be interested in our new non-technical booklet, "Saving Home Construction Costs"—a valuable contribution to building information. Send for your copy.

#### The Long-Bell Lumber Company

R. A. LONG BUILDING Lumbermen since 1873 KANSAS CITY, MO.

Southern Pine Lumber and Timbers; Creosoted Lumber, Timbers, Posts, Poles, Ties, Piling and Wood Blocks; California White Pine Lumber; Sash and Doors; Southern Hardwoods; Oak Flooring

# Long-Bell

KNOW THE LUMBER YOU BUY

## Toronto Invites Industries

TORONTO, the Capital of Ontario, is the second city of Canada, with nearly 600,000 population.

### The Dome of the Dominion

Already 3400 industries have proven to their satisfaction the advantages of Toronto.

Toronto is the principal port of Lake Ontario and its harbor occupies a leading place among the harbors of the Great Lakes.

\$25,000,000 are being expended in harbor improvements. The completion of the Welland Ship Canal and the construction of the St. Lawrence Deep Waterway will provide thirty feet of navigating depth and open the way for ocean vessels of 10,000 tons to dock at Toronto.

Two transcontinental railways connect Toronto with the Atlantic and Pacific coasts. It is also the center of a system of publicly owned radial railways. Modern paved highways facilitate vehicle traffic and focus at Toronto.

Bank clearings for 1922 were five billion dollars. Its Board of Trade has 2700 members—the largest in the British Empire.

The city owns and operates its own street railway system, light and power system and its waterworks.

Ninety-nine per cent of Toronto's 3400 industries are operated by electric power generated at Niagara Falls.

Toronto offers unusual educational, religious, recreational and home facilities. The city has 64 parks. Its citizens own 67% of the homes they live in—it is a city of busy, happy people—thoroughly imbued with the spirit of "for Toronto."

*COME TO TORONTO—Make and ship your product from Canada and take advantage of the low British Empire Preferential Tariff.*

*Out of 654 American industries located in Canada, 203 have found it to their advantage to establish branch plants in Toronto.*

For additional information relating to Toronto write to Toronto Publicity Bureau, Robert M. Yeomans, Executive Secretary, 302 Bay Street, Toronto.

### The Dome of the Dominion

## Chips from the Editor's Work Bench

THE AMERICAN girl-and-music show has become a national institution for the entertainment of eye and ear. But domestic amusements of that sort have not infrequently faced competition from imported productions. Not to be outdone by those invaders, some of our impresarios have packed their scripts and scenery for a stand overseas. With them have gone companies of American girls to lighten the horrors of peace for the t. b. m. in other lands.

The fitting out of those theatrical argosies has invited the highest artistry of designers at home and abroad. National pride is

touched by the skill of home-grown milliners, modistes and shoemakers—and perhaps national purses, too, for profitable prestige attaches to inclusion of the names of costumers in the billing and in the programs for the producers.

What woman is not interested to know who made the hats and the gowns for the principals and the ladies of the chorus?

France, we are told, is alert to the commercial challenge from our designers and our producers of revues, and is preparing to exact reprisals by sending over one of her most audacious productions. So? Well, our stage has not lacked for sizable legacies of audacity to keep the home footlights burning. We can meet audacity with more audacity. But victory should be won with delicacy. Let art prevail with the graceful touch of the lipstick rather than the vigorous bludgeoning of the slapstick. And let every *corypheee* watch her step and keep her powder dry. America expects every chorus girl to do her duty.

CHURCH pews are wanted in Cape Town, and in our own land announcement is made that a great publishing house is to enlarge the scope of its hymnbook department with inclusion of books on religious pageants and dramas. In two weeks 5,000 copies of one hymnbook were sold, and a less sensational but large sale continues—few novels do so well. For another hymnal, a sale of 50,000 copies in one year is reported. Works on religious pageants and plays for church and Sunday school production are said to be in active demand.

There's fabric for a text to confound any wail that the world is headed for the kennels. So long as church furniture and hymnals are in demand and get into the day's news, we may be sure that the world is still watchful of its spiritual state, and that materialism is not sovereign in the hearts of men.

IMPROVEMENT of facilities for business and social communication only seems to whet insistence on greater speed in serving needs and interests. Americans are quick to become intolerant of delay in the use of public and private conveniences—having the equipment to speed their purposes, our people demand the maximum of promptness in service.

But our public utilities have not put any additional penance on patience by complexity of names for available services. Consider

our telephone systems. Seldom are exchanges distinguished with difficult names. We are accustomed to the simplicity of Main, Central, Circle and the like. Not so easy are some of the names of exchanges in England—Zeal Monachorum, Ampney Crucis, Kingston Bagpize, Toller Popcorn, Whitechurch Canonicorum, Flyford Flavell, and Ewyas Harold.

Just imagine having to say "Rhyme Intrinsica 6080 are you there?" . . . and then getting the busy signal!

EASTBOUND ships are lighter than west-bound ships of the same tonnage, says an English professor. His conclusion resulted from experiments to discover the origin of mountains. Objects moving eastward, the professor explains, are going in the same direction of the earth's revolution, and the centrifugal force exerted upon them is greater than when they are moving westward. For example, ships tend to move farther away from the center of the earth when east-bound.

Easy there, professor. Talk like that may tangle us with our foreign trade figures. Why, we might even get to thinking that nature was determined to make light of our export business with Europe. And what of the gentlemen who cast a cold and gelid eye upon portly baggage?

"No excess?"

"No, just a little touch of centrifugal force."

What a soft answer to detour wrath! Too soft, we fear, with quotations from baggage-men firm and of standard hardness.

NEW YORK skyscrapers are the safest places in all the world during thunderstorms, says a man who knows a good deal about lightning. Tall buildings are electrostatic shields, he explains, because the steel used in their construction absorbs the electricity. Comforting word that to city dwellers, but even so a problem of transportation must be solved. When the thunder lets go its opening salvo, and the lightning begins to rip, how should the storm-ridden reach the refuge of a big building with the promise of safety in its steel bones?

What a racing and chasing there would be to towering temples of business should the good man's pronouncement have wide acceptance. Folks afoot might lose ground in the middle distances, but on form they should hold advantage at the finish, as the off chance of finding a place to park raises the odds against motorists.

It's all well enough to point out safety in skyscrapers, but the attainment of that security seems rather difficult and doubtful. Whatever became of that fellow Ajax? He is reported to have had a speaking acquaintance with lightning. True, he was rather



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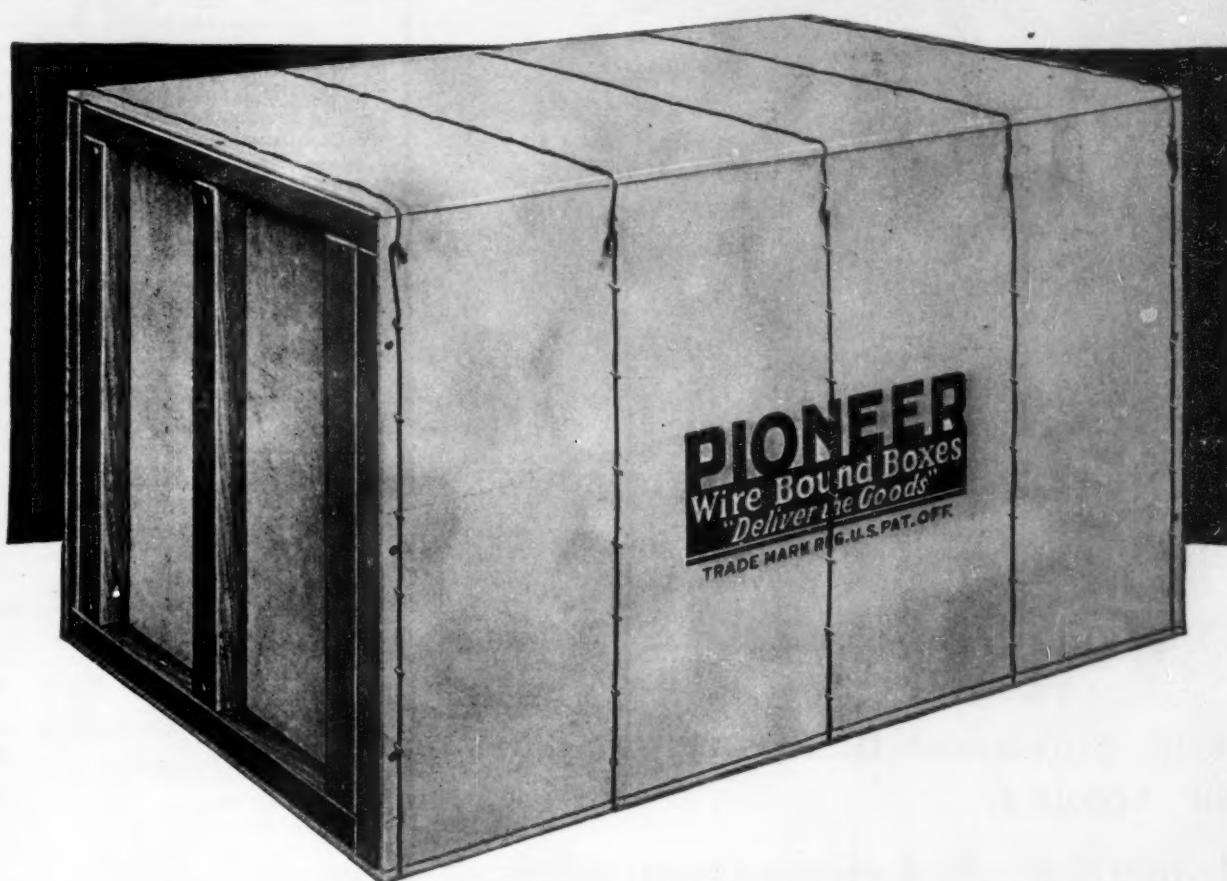
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## What the Pioneer Wirebound Box means to you

THE cost of shipping is a matter of increasing interest to manufacturers. The heavier-than-necessary box, the lighter-than-needed box, the broken box, the easily-pilfered box, the one-trip box, the poorly-designed box are items of waste that place a heavy tax on industry.

To you Pioneer Wirebound Boxes and Crates mean the elimination of this burdensome tax—if they can be adapted to your product. Pioneers are made in many sizes and shapes. They are used by manufacturers in many different industries. Likely you, too, can use them.

On your request we will be glad to send a General Box Engineer to study your requirements and design a Pioneer to suit your needs. This will place you under no obligation of any sort.

Pioneers give your goods maximum protection at a surprisingly low cost. Stronger and lighter

than nailed wood boxes, they cut lumber waste and save transportation charges.

Made of tough rotary-cut lumber and bound with strong steel wires, they are practically immune to the destructive shocks and strains of shipping. Fastened and sealed against theft in one operation.

Pioneers are delivered to you in flat folding form and three-fourths assembled. Save storage space or assembling costs.

Your customers appreciate receiving shipments in Pioneers, for they can open Pioneers just by clipping the wires. The top throws back, making it easy to unpack. By splicing the wires—a simple thing—the box is ready for reshipment.

Write for General Box Service—a booklet of information on better boxing and crating methods.

**GENERAL BOX COMPANY**  
504 North Dearborn Street, Chicago, Ill.

*Sixteen Factories give you close at hand Service:*

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| Bogalusa, La.  | Cincinnati, Ohio     | Hattiesburg, Miss. | Illino, Mo.      | Louisville, Ky.  | Pearl River, La.  |
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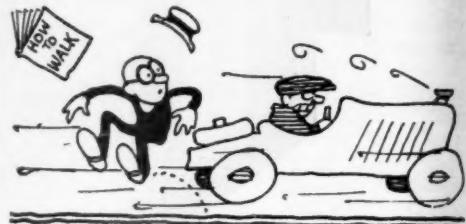
NEW YORK

PARIS

reckless with his talk, and probably a bad risk, but he did have faith in his immunity to shock. An arresting figure, Ajax—perhaps the very first of the irreconcilables to stand up for splendid insulation.

STUDENTS of Northwestern University are to have opportunity to learn how to walk, with instruction offered in a three-hour-a-week course. One of the professors in the university's physical education department says 40 per cent of the students under his observation did not know how to distribute the weight of their bodies when walking, and consequently suffered from fallen arches and other foot defects. Of the same group, 5 per cent had serious foot troubles and required special attention.

Those statistics may be indicative of profound changes in means for locomotion, but they are not conclusive. Are the students chronic users of gasoline, or are they habitual walkers? Persons who make motor cars



do duty for their feet are not likely to know much about walking. Nor can grace and dignity be expected from the pedestrian who essays the mobile perils of crowded thoroughfares. In these hurrying times the attainment of the farther curb becomes a tremendous exploit with no thanks for counsel:

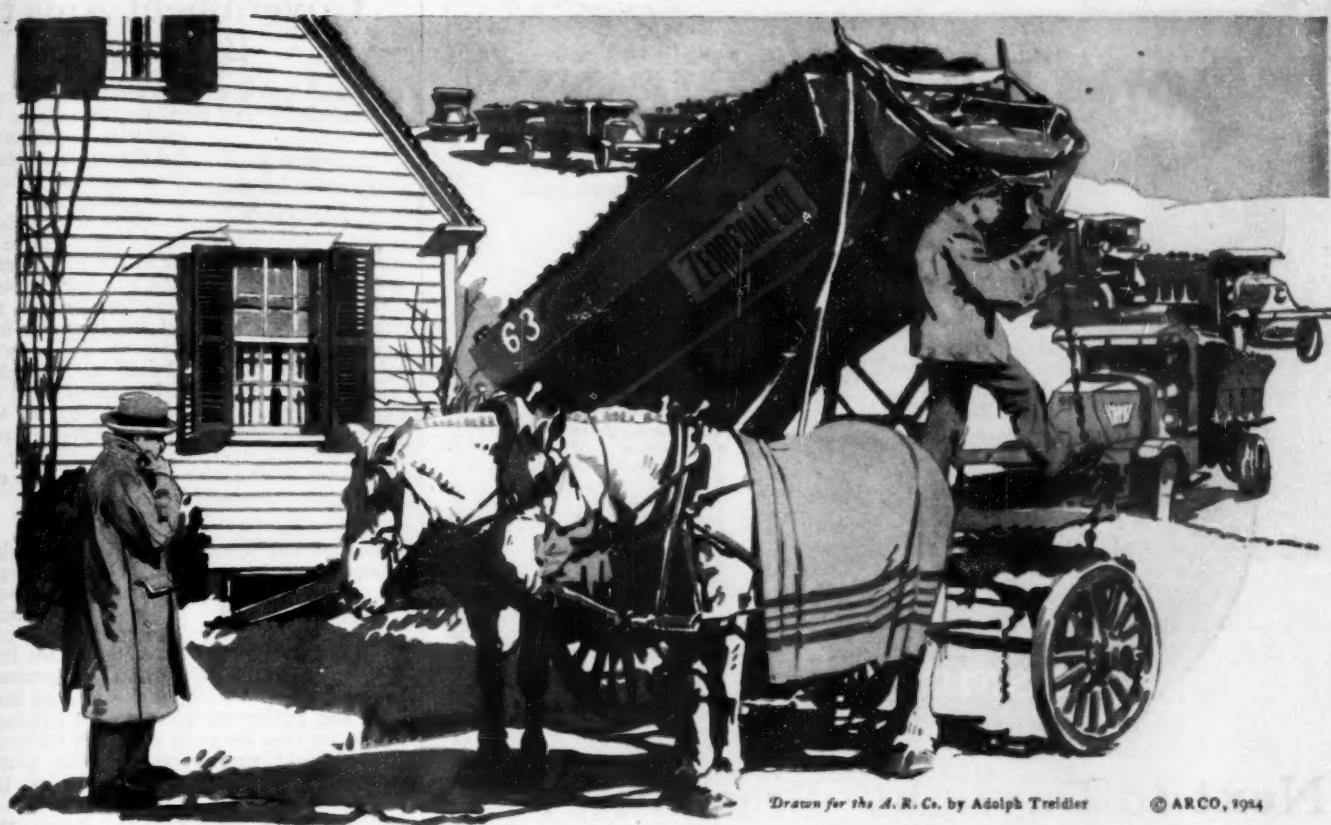
... Never walk fast in the streets, which is a mark of vulgarity, ill befitting the character of a gentleman or a man of fashion, though it may be tolerable in a tradesman.

But Lord Chesterfield's son never heard the quickening urge of our national slogan "Step lively," or the stabbing shriek of a motor siren. Those sounds of our civilization complicate the maintenance of a proper carriage. The professor points out the deficiencies and defects in the feet of college students. But what is the significance of the trouble? On that point the professor leaves us flat-footed, so to say.

PETROLEUM from fishes is a scientific theory now widely discussed. That theory holds that many varieties of fishes are rich in fish oil, millions of those fishes are entombed in vast contortions of nature, the oil of the fishes is then fixed or free as an incipient oil shale, the shales are roasted and distilled with frictional or volcanic heat, and the resultant crude oil drains off into cracks or fissures and accumulates in "pockets" formed by porous sands or sandstones.

Simple, isn't it. A cataclysmic wrench like the Japanese quake to rip open the floor of the sea, fire and brimstone from the hot heart of the earth, millions of dead fishes buried in volcanic ash or cast down to make marl beds, shales slowly formed, and then the huge underground retorts of Dame Nature roasting out the oil.

So that's the way petroleum is made? And still there are folk who worry about the supply of oil! But why depend on Nature to keep the tank filled? Can't some eminent tinker tell us how to put our bright little sardines to work in cars in place of cans?



Drawn for the A. R. Co. by Adolph Treidler

© ARCO, 1924

## Suppose your coal for the next twenty years were delivered this afternoon!

How much would the bill be? Enough to pay for a new boiler several times over. Remember:

THAT the initial cost of even the finest boiler is only a trifle, compared with the coal it will consume in its lifetime.

THAT an IDEAL TYPE A BOILER, saving one-third of your coal, will pay for itself in a few winters and thereafter pay you net dividends each year.

Write on a postal card your name, address, and the number

of rooms in your house, whether you are building a new home, or living in a home with old-fashioned heat. We will send a booklet describing the IDEAL TYPE A BOILER and the name of your Heating Contractor who is our representative.

This involves no obligation. It may save you one-third of your coal bill for the next twenty years! Write the postal card and mail it today.

# IDEAL BOILERS and AMERICAN RADIATORS save coal

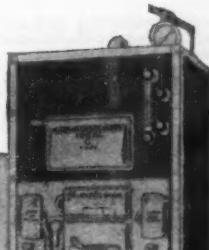
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104 West 42d Street 816 So. Michigan Ave.  
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IDEAL ARCOLA  
for small homes



IDEAL TYPE A  
for medium-sized  
and larger homes



IDEAL 79-inch  
for larger  
buildings



## The EDWIN F. GUTH COMPANY

DESIGNERS - ENGINEERS - MANUFACTURERS

### Lighting Equipment



#### TYPE WF

Handsomely decorated one-piece ceiling band finished in old gold. Reflecting plane in old ivory with Greek design in outer edge. 200 watt size, using standard lamp bulb, will illuminate area 15 feet square. Price \$30.00.

Brascolite in less ornamental, less expensive types are available, all possessing the same efficiency characteristics.

## Next to Daylight—Brascolite!

Daylight is diffused light. It is the best light for eye-health and comfort. And Brascolite, through its scientific principle of *diffusion plus reflection* at the source of light, most nearly approximates the soft, uniform illumination of daylight.

The strong glare of the Mazda lamp is softened by this diffusion and eighty per cent of the light rays are reflected directly to the working plane. The result is a soft, uniform, glareless white light for every quarter of a widened area of illumination.

There is a standard Brascolite to meet every lighting need. Each carries its own ceiling, and is, therefore, independent of room ceilings in either height or color. In addition, Guth designers and engineers can adapt the Brascolite principle to special designs to conform to special decorative or utilitarian requirements.

Our new catalog, No. 10, pictures and describes the complete Guth line. Sent free on request.

### The EDWIN F. GUTH COMPANY

ST. LOUIS, U. S. A.

Formerly the St. Louis Brass Mfg. Co., and the Brascolite Company

BRANCH OFFICES (Sales and Service)

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## Going to Build?—"See Widmer First"

### DESIGNING

- architectural
- structural

### ENGINEERING

- civil
- mechanical
- electrical

### CONSTRUCTION

- all types
- all materials

Widmer Engineers have standardized and applied the most highly approved shop methods to the building business. Every phase of your building program—from the initial designing to completion and equipment of the building will be in the hands of this Master Organization.

As a result you will save time, eliminate waste and save money. Under Widmer methods only one moderate service charge is added to the net cost of the building and that cost is guaranteed.

Many pleased owners of Widmer Buildings will gladly testify to the economic soundness of Widmer Methods. Ask us to explain. Write for our book—"Better Building at Lower Cost." It explains our methods.

## WIDMER ENGINEERING COMPANY

Architects—Engineers—Constructors

506 Laclede Gas Bldg.

St. Louis, Mo.

When writing to THE EDWIN F. GUTH CO. and WIDMER ENGINEERING CO. please mention THE NATION'S BUSINESS

## Government Aids to Business

Tests of interlocking devices for elevators have been made by the Bureau of Standards in cooperation with the Building Owners and Managers Association of Baltimore.

### Efficiency of Interlocks for Elevators

Seven interlocking devices which passed the bureau's tests included three of the mechanical type and four of the electro-magnetic type. The results of the successful tests were certified by the Bureau of Standards to the inspector of buildings, and the inspector has approved the successful devices for use in Baltimore by issuing an "approved list" of interlocks.

The tests were made by means of a special device designed and constructed by the bureau. The device automatically performs the functions of elevator and operator, and records any failure of the interlock under test. No report on this investigation is available.

Government specifications for gloss interior lithopone paint, white and light tints, is printed in Circular 147, issued by the Bureau of Standards.

### Sampling and Testing of Lithopone Paint

This specification comprehends paints not intended for outside exposure. Detailed directions for sampling and testing are given in the circular. Included are tests for cover caking in the container, color, weight per gallon, brushing properties, time of drying, resistance to washing, fastness to light, yellowing, determination of water, volatile thinner, percentage of pigment, percentage of non-volatile vehicle, coarse particles and skins, and analysis of pigment.

The circular is sold by the Superintendent of Documents at 5 cents a copy.

From 20 to 90 per cent of the total cost of producing petroleum may be charged to the cost of lifting oil from the wells to storage tanks, asserts the Bureau of Mines after completing an examination of 57 groups of oil properties with a total of 4,497 producing wells.

Although the bureau found that the lifting cost ranges from less than 3 cents a barrel at flowing wells producing several hundred barrels a day to more than \$3 a barrel at wells producing less than a fifth of a barrel a day, the lifting cost per well per month may range from more than \$1,000 at large flowing wells of the type recently developed in Oklahoma, Texas, Arkansas, and California to less than \$10 at many of the old wells pumped only a few hours a week as in most of the oil fields of New York and Pennsylvania, where the average daily production per well per day is less than a quarter of a barrel.

Detailed information regarding lifting costs at the properties examined in the bureau's investigation are given in Serial 2530, obtainable from the Bureau of Mines, Washington, D. C.

Bituminous coal, coke, fuel oil, briquettes, and the steam sizes of anthracite are available and acceptable substitutes for anthracite, reports the Bureau of Mines in Serial 2519.

### Substitutes for Anthracite Discussed

To burn bituminous coal, the bureau says that no change in grates or

equipment is needed, but that the flue surface must be cleaned often, even daily, when using high-volatile coals, and at least weekly when using low-volatile coals. Coke gets a good word because it is clean to handle, smokeless, and under proper damper control gives a steady heat. Good briquetted fuel is available in increasing quantities and is handled like anthracite, requiring little more attention. Of oil, the bureau says that its use is increasing where available, but that a considerable installation is required and

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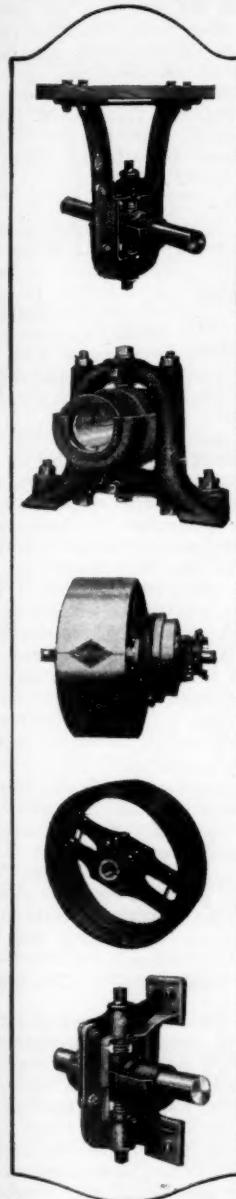
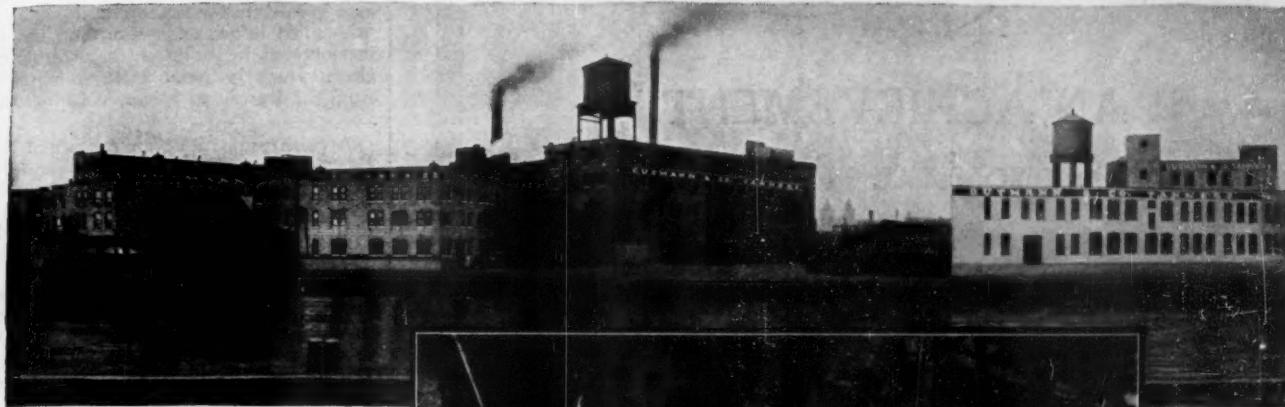
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# At the Gutmann Tannery, Chicago



## DODGE

### Dodge Transmitting Units Are Giving *Plus* Service

For 25 years the power required to produce high grade leather manufactured by Gutmann & Company, has been distributed economically and without interruption by Dodge Power Transmitting Units.

Always when needed this Dodge installation has responded to the demand for 24 hour service and played an important part in maintaining peak production schedules.

Throughout this plant there are Dodge appliances which have stood the test of *Plus* service, many under heavy overloads, day in and day out, year after year. This is why the new Gutmann plant will be 100% Dodge equipped.

Dodge means power savings. Plants which have standardized on Dodge rank on the plus side of the ledger. Five hundred local dealers distribute Dodge products on the immediate delivery basis.

**DODGE MANUFACTURING CORPORATION**  
General Offices: Mishawaka, Ind.

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**EVERYTHING FOR THE MECHANICAL TRANSMISSION OF**

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**Power**

# DAHLSTROM

## AN ACHIEVEMENT IN ECONOMICAL PRODUCTION

Present concern regarding construction work is cost. The question is: Will money spent now on construction work show an undue depreciation during the coming years?

We can answer this as far as our own product is concerned.

It is well known that steel and finishing materials, considered as raw material in production of hollow metal doors and trim, have at least doubled in cost over previous war prices, and that labor has more than doubled. It would be expected that the finished product would also double in price. This is not the case. Our product is sold today at an ad-

vance of only about forty per cent over pre-war prices!

We are asked "How can you do it?" We answer that by increased production, greater standardization and intensified working methods and constantly improved machinery we are saving our customers sixty per cent of the advance made in most other commodities.

Possible reduced valuations having thus already been discounted, very little if any change can be expected even in a falling market, and in the meantime Dahlstrom hollow metal is a bargain as well as a necessity.

### DAHLSTROM METALLIC DOOR COMPANY JAMESTOWN, NEW YORK

*Established 1904*

### Who are our 130,000 Subscribers? They are executives in 76,272 Corporations\*

In these corporations the magazine is being read by the following major executives

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| Presidents.....  | 32,645  |
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| Directors, Chairmen of Boards, Comptrollers, General<br>Counsels, Superintendents and Engineers..... | 5,577   |
| General Managers.....  | 10,291  |
| Department Managers (Branch—Purchasing—Sales<br>—Export, Etc.).....                                  | 8,441   |
| Major Executives.....  | 100,882 |
| Other Executives.....  | 10,161  |
| Total Executives.....  | 111,043 |
| All other Subscriptions.....   | 18,939  |

If this audience represents a market for your products, we shall be glad to give you complete advertising details

**The NATION'S BUSINESS**  
Washington, D. C.

\*Figures based on a complete investigation of all subscribers in twelve cities

the burning cost is usually greater than for the other fuels. The degree of satisfaction from the use of oil-burning installations may be very high, the bureau explains. Heating by gas has all the advantages of anthracite and few disadvantages except cost. Neither oil nor gas is in any large measure available on short notice as a substitute for anthracite.

Detailed information regarding the proper firing methods in the use of substitutes for anthracite is given in Serial 2519, which is obtainable from the Bureau of Mines, Washington, D. C.

A prize competition to encourage the production of a safe and efficient type of electrical storage battery locomotive for use in coal mines has been announced by the Department of Mines of Great Britain. The announcement is transmitted

through the United States Department of State in order that the competition may be known in this country. The sum of £1,000 will be offered as a prize for the best vehicle which fulfills certain specified conditions.

The competition began October 1, 1923. It will continue for not less than six months, the exact date of closing to be fixed by the judges. Manufacturers of all countries are eligible to submit engines for test under the terms of the competition. Detailed information of the conditions may be obtained from A. M. Clegg, Secretary, Electrical Storage Battery Locomotive Competition, Mines Department, Dean Stanley Street, London, S. W. 1.

An improved apparatus for the transverse testing of brick, designed by H. L. Whittemore, of the Bureau of Standards, is believed to mark an advance in testing equipment.

Comparative tests were made with the new apparatus and the apparatus specified by the American Society for Testing Materials.

The bureau explains that 250 bricks were tested in each apparatus. The bricks were of three different kinds—200 were of clay, 200 were of cement, and 100 were of sand-lime. For both types of apparatus the average results were virtually the same, but the bureau found, it says, that with the Whittemore apparatus it was possible to test 100 bricks in 3 hours as against 5½ hours required to test the same number with the A. S. T. M. apparatus. Five pieces of the A. S. T. M. apparatus are displaced when a brick is broken, and they must be replaced before tests can be continued. No parts are displaced when a brick is broken in the Whittemore apparatus, the bureau reports.

A comprehensive review of American commerce and industry for the year 1922 and the first part of 1923, designated as the Commerce Yearbook, has been issued by the Bureau of Foreign and Domestic Commerce, and is now

available for distribution. A similar review will be published annually hereafter, the bureau announces.

The Yearbook includes interpretative statistical discussions of the revival of production, individual industries in 1922 and the early months of 1923, prices and domestic trade, transportation and communication, finance and banking, foreign trade of the United States in 1922 and tendencies in the first half of 1923. The text is helpfully supplemented with tables, charts, and maps.

In defining the purpose of the Yearbook, the bureau explains that—

It is published to meet the need, not merely for a reference source to be consulted only for specific facts on the recent past of business, but for a book which can be read for general commercial information and for a survey of the most important economic developments of the year. It is thought that the treatment

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employed and the facts contained in this issue and its successors will, in the course of time, be of assistance in laying out long-range programs for the stabilization of business and industry so as to minimize the economic losses resulting from the recurrent extremes of the business cycle.

The Commerce Yearbook is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 60 cents a copy.

An industrial and commercial survey of the Mexican West Coast and Lower California as a field for American enterprise, made by investigators of the Department of Commerce, is now available in a handbook of 340 pages, obtainable

for 85 cents a copy from the Superintendent of Documents, Government Printing Office, Washington, D. C., or from any of the district or cooperative offices of the Bureau of Foreign and Domestic Commerce.

The handbook invites attention to the existence of a considerable market in western Mexico for American products, especially those used in mining, agriculture, and irrigation. Included in the book are suggestions for reaching the market, with a discussion of the tastes, credits, and general business practices of the region.

The mining, agricultural and trade possibilities are pointed out in a frank consideration of the favorable and the unfavorable factors affecting industry and commerce. The book should serve to guide exporters, investors and prospective emigrants in forming business plans related to the West Coast of Mexico.

Important economies in the construction and equipment of blast furnaces may become available through the successful

**The Question of Furnace Stack Heights** development of an experimental blast furnace set up by the Bureau of Mines at Minneapolis.

Operation of the test furnace has disclosed that a considerable part of the stack is inactive in reducing effects of the furnace gases in the space between the combustion zone and the zone of active reduction near the top. If similar conditions are characteristic of commercial furnaces, the Bureau believes that the tall stacks could be shortened with a consequent reduction of the size and the cost of the blowing engines, thereby cutting the cost of the entire installation.

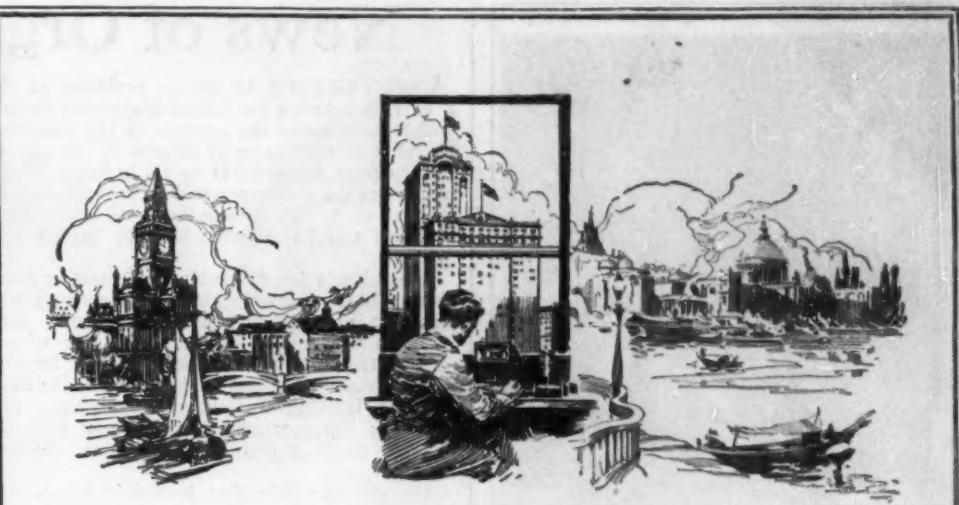
The experimental furnace puts the Bureau of Mines in position to study problems of blast furnace processes and to make report to the industries concerned. Two successful runs have been made with every operating detail under perfect technical control. The furnace has a hearth diameter of 20 inches, and a height of about 20 feet. It will make pig iron, ferromanganese, and spiegeleisen.

Observations will be made to obtain conclusive data on the changes which occur in the smelting of iron ore as the descending materials charged in the top encounter the ascending gas stream from the combustion zone of the furnace.

Adding 40 per cent of clay and 25 per cent silica sand to used foundry molding sand, and tempering the batch with 8 per cent of moisture developed a bond of strength and permeability which is equal to that of a good brass molding sand, states

**Molding Sand Experiments** the report of the Bureau of Standards.

Tests have been made to determine the effects of adding clay and silica sand ranging from 10 to 50 per cent, and 4 to 10 per cent of water to used foundry sand. Tests are now in progress to determine the best methods for removing sea coal and other undesirable impurities from a used foundry sand.



## A cable a minute

Each business day an average of 363 cables passes through the wickets of the Cable Department of The Equitable. This is equivalent to a cable a minute during banking hours.

Last year approximately 109,000 cables were sent and received in connection with The Equitable's foreign banking service. These cables were used to transfer money to and from all parts of the world, to finance import and export shipments, to buy and sell foreign exchange and securities, to furnish trade and credit information, and to expedite many other international transactions.

The cables came and went as follows:

|           |                                |   |   |   |        |
|-----------|--------------------------------|---|---|---|--------|
| Outgoing: | To Europe and Far East         | - | - | - | 37,000 |
|           | To Central and South America   | - | - | - | 18,000 |
|           |                                |   |   |   | 55,000 |
| Incoming: | From Europe and Far East       | - | - | - | 45,700 |
|           | From Central and South America | - | - | - | 8,300  |
|           |                                |   |   |   | 54,000 |

Through its special cable service, requiring a staff of fifty people, The Equitable is but minutes away from the markets of the world. The saving of time and money to firms engaged in overseas trade is a vital factor in the conduct of their business.

## THE EQUITABLE TRUST COMPANY OF NEW YORK

37 WALL STREET

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IMPORTERS  
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COLONIAL OFFICE:  
222 Broadway

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LONDON: 10 Moorgate, E.C.2  
Bush House, Aldwych, W.C.2  
PARIS: 23 Rue de la Paix  
MEXICO CITY: 48 Calle de Capuchinas

### DISTRICT REPRESENTATIVES

PHILADELPHIA: Land Title Building  
BALTIMORE: Calvert and Redwood Sts.  
CHICAGO: 105 South La Salle St.  
SAN FRANCISCO: 465 California St.



## Like a Thief in the Night

Disease can creep unsuspected on your system "Like a Thief in the Night." A number of serious ailments such as Bright's disease can develop to a chronic stage without your knowing it.

There is one sure way to guard against this. It is to have **HEALTH PROTECTION**.

Real Health Protection is afforded by having a periodical Urinalysis which detects the beginning of most internal troubles. Many of these can be stopped by such simple means as a change of diet.

Our Service gives you Health Protection in the most scientific, effective and economical manner.

The small amount of time and money it costs you may save the expense, loss and worry of serious illness.

It costs you nothing to investigate. It may save you more than money can buy.

National Bureau of Analysis,  
N. B. 14 Republic Bldg.,  
Chicago, Ill.

Please send me without obligation your booklet, "The Span of Life," and full particulars of your plan.

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When writing to NATIONAL BUREAU OF ANALYSIS please mention the Nation's Business

## News of Organized Business

A CONFERENCE to discuss problems of the trade between the United States and Mexico will be held under the auspices of the American Chamber of Commerce of Mexico in the city of Mexico from February 11 to 15, inclusive. Two sessions of the conference will be held on each of the five days. The proceedings will be in English, but will be reported in both English and Spanish.

The subjects for discussion are: Starting business in Mexico—incorporation, partnerships and agencies; agencies and agents compared with branches carrying stocks; importing for wholesale—distribution and selling methods; importing for retail and selling methods; exporting from Mexico; banking and finance—conditions and methods; transportation in Mexico; and the packing, shipping and invoicing of merchandise for Mexico.

The chamber asks that houses in the United States intending to send representatives to the conference write to the secretary of the American Chamber of Commerce of Mexico, William F. Saunders, for information on the arrangements.

### Retailers Fight Discount Clubs

Twenty-six trade groups in the Retail Merchants Association of the San Francisco Chamber are carrying on a campaign to eliminate the activities of discount clubs from commercial practice. The association does not look with favor on attempts to organize consumers into clubs requiring annual dues or promise to obtain for all members 10 per cent discounts on merchandise bought in specified stores throughout the city. In explaining the opposition of the retail merchants, Richard M. Nuestadt, managing director of the association, said:

The intrusion of another middleman into the system of distribution works to the detriment of the merchant and the general public. Under modern merchandising, the net profit sought by the individual merchant or by the retail corporation, whichever the case may be, is less than 5 per cent.

It is therefore very apparent that the retail establishment, whether operated by an individual, by a firm or even a large corporation, cannot give 10 per cent from the price to any organized group of consumers no matter with what institution they are affiliated, without first raising the price to all.

If the price is raised to make provision for a 10 per cent discount to the organized discount club, which may represent that it has the support of powerful interests, then the public pays for the discount granted to the favored few.

The practice is detrimental to sound business methods and always has been found injurious to the public's interests. The one-price policy is the only honest code of legitimate retail distribution.

Retailers see no valid reason for granting a discount to any group organized within a single institution, or an association, at the expense of the public and I believe consumers will quickly realize that such discount schemes are unjustified and will appreciate their elimination.

### A Word to Trade Associations

OPPORTUNITIES for trade associations to perform helpful services were pointed out by William A. Durgin, of the United States Department of Commerce, in an address to members of the American Bottlers of Carbonated Beverages during their annual convention held at Providence. Of the statistical and legislative interests of trade associations he said:

Statistical activity by trade associations has legal limitations. However, there is no question that the curves in the business cycle from activity to depression have been less disastrous in those industries or trades where accurate, lawful statistical data have been available to all. Fundamentally it is impossible for

business men to form those vital judgments as to their future course of action in the wise and safe direction of their activities unless they are informed as to the changing currents of production and consumption not only in their own lines but also in other lines of business, which indicate broader currents of economic life. The only criteria are statistics and if industry is to march with reasonable profits instead of undergoing fits of famine and feast, if employment is to be held constant and not subjected to vast waves of hardship, there must be adequate statistical service.

The interest of any one industry or trade, to be sound in the ultimate analysis, must be the public interest. In their legislative activities many trade associations have borne this axiom foremost. Greater uniformity as to state laws affecting the public and industry and commerce may be brought about and the views of a trade as a whole can be properly laid before our legislative bodies only through association.

Of the possibilities of simplification, Mr. Durgin said:

I wonder if we could help you in that field. We would be right glad to, if you are interested, but the initiative must come from you. Our only purpose is to offer the prestige of the Department of Commerce to those groups who find in such activities a constructive change in business practice; just as in our statistical service we offer it to those groups who wish to use it. That is the big message that I want to get over to you men. In the Department of Commerce you have a group utterly opposed to any interference in business, intent upon becoming the representative of business men at Washington. The whole thing is carried in Secretary Hoover's words: "The purpose of our Department is the purpose of all true government, and that is, to improve the daily living of our citizens."

### Scranton Helps Home Building

THE SCRANTON Board of Trade is helping home building in Scranton and Dunmore by making loans from a special fund. Of the assistance given by the board, the *Board of Trade Journal* says:

The fund of \$100,000 raised last year has been the direct means of assisting almost forty persons to build and own their own homes in Scranton and Dunmore.

The board will loan from its fund 20 per cent upon second mortgages, limiting the amount, however, to not more than \$1,500. Many of the banks have cooperated splendidly in this work and are loaning as high as 60 per cent in some cases on first mortgages.

### A Directory of Minerals

A DIRECTORY of deposits of commercial minerals in Georgia and Alabama, along the lines of the Central of Georgia Railway, has been issued by the industrial department of the railway at Savannah. The directory is cross indexed by counties, cities and minerals, with a geological map and descriptions of the deposits. References to every known outcrop along the railway are included, together with the publications and special reports describing the outcrops. The text was prepared through the collaboration of Dr. T. Poole Maynard, formerly of the United States Geological Survey; R. T. Stull, formerly chief ceramist of the United States Bureau of Mines, and J. M. Mallory.

As presented by the directory, important factors and advantages in development of the mineral resources are:

Their proximity to the great coal fields and hydro-electric power resources of Alabama, Tennessee and Georgia, with their combined estimated coal area of 14,000 square miles and water-power resources aggregating 2,000,



## Isn't the boss to blame?

IN most offices when a cog slips, someone goes "on the carpet" for a lecture by the boss.

But is this fair? When statements are habitually late in going to customers, when discounts are frequently missed, isn't there some better way that would correct these things? What is really at the bottom of a stinging letter that a customer sends in because a tired bookkeeper has added 7 and 5 and called it 11? Why are "end-of-the-month" jams a common experience in accounting?

Nine times out of ten it is because the boss sticks to old-fashioned and inadequate bookkeeping methods. He has probably never realized that Elliott-Fisher will furnish the remedy.

Elliott-Fisher serves many of America's leading industries, and Elliott-Fisher makes all the pay-

roll checks, monthly statements, keeps a continuous inventory of thousands of items used in production, and in every case produces automatic proof of accuracy. Some of the great retail stores using Elliott-Fisher post thousands of entries a day and prove each entry without extra effort.

What is most important of all, Elliott-Fisher is just as useful in keeping the books of small business as in great industries.

No business head likes to have mistakes occur. He will usually do anything reasonable to prevent them. The first reasonable step is to give our representative a chance to prove what Elliott-Fisher can do. There is no obligation on your part. It merely means a phone call to our nearest office. We have branches in all principal cities.

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Branch Offices in Every Important City in the United States and Canada.

### The ELLIOTT-FISHER IDEA

Elliott-Fisher best meets the requirements of modern accounting by furnishing:

**INSTANT PROOF OF ACCURACY**  
Without extra work or effort.

**MAXIMUM PRODUCTION**  
The flat writing surface results in the writing of many records at one operation.

**PERFECT LEGIBILITY**  
On original and many copies.

**CURRENT INFORMATION**  
Facts and figures obtained as a by-product.

A quarter century of study and research has developed the Universal Accounting Machine—  
**ELLIOTT-FISHER.**

There is one which fits your business.



A list of concerns using Elliott-Fisher reads like a "Who's Who" of American business in every field. The total exceeds 15,000 firms and covers more than 400 different lines of business. Investigate!

Elliott-Fisher Ribbons and Carbon Paper give best results.

# Elliott-Fisher

Accounting and Writing Machines: Flat Writing Surface

"What a whale  
of a difference  
just a few cents  
make"



*All the difference*  
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**FATIMA**  
—a mild cigarette

## Have you a business friend?

HE may like this magazine as well as you do. Tell your secretary to send us his name and address and we will send him a copy of this same number you are reading, with an invitation at the same time to subscribe.

The NATION'S BUSINESS is growing faster now than ever before in its history—at the rate of more than a thousand a week. Let's combine to make it grow even faster.

Editorial Department

United States Chamber of Commerce, Washington, D. C.

*When writing to LIGGETT & MYERS TOBACCO COMPANY please mention the Nation's Business*

000 undeveloped horsepower and 886,000 developed horsepower.

The convenience of the deposits to the Port of Savannah, which has coastwise steamship service to Boston, New York, Philadelphia and Baltimore, and also trans-Atlantic service.

The availability of native-born laborers.

According to the directory, forty-four commercial minerals are found in the area of Georgia and Alabama traversed by the Central of Georgia Railway. Included among the more important rocks and minerals are: Asbestos and soapstone, bauxite, cement materials, clays, coal, dolomite, feldspar, gold, graphite, granite, iron ores, limestone, marble, mica, pyrite, quartz, sand and gravel, shales and slate, and trap rock.

### Protection for Fur Trade

**S**TOLEN furs valued at more than \$125,000 have been recovered by the Furriers Security Alliance of the United States since its organization early in 1922, reports John C. Stott, manager of the alliance. Other activities have included the apprehension and conviction of thieves and "fences" who preyed on the fur trade. Perhaps the outstanding accomplishment of the alliance in the year 1923 was the apprehension and conviction of a man who had established business relation with the best fur dealers and who operated in the trade without suspicion. When arrested he admitted that in the six months preceding his arrest he had committed burglaries in which the losses to the fur trade amounted to \$250,000.

Losses from burglaries and thefts had become so widespread and considerable before formation of the alliance that in 1921 the trade charged off approximately 1 per cent of its total business to account for stolen goods. The robberies ranged from well-planned and carefully-executed burglaries to the occasional stealing of a skin from a factory workroom. Mr. Stott reports that no great loss from burglary has been imposed on the trade since February, 1923, and that insurance companies have made a 40 per cent reduction of their rates applying to fur risks.

### Tire Covers Praise Petersburg

**T**IRES COVERS bearing the slogan, "Petersburg—The Best City in the State of Virginia," are now sold by the Petersburg Chamber of Commerce. When the covers are used on spare tires mounted on carriers at the rear ends or sides of motor cars the slogan is very conspicuous—so that he who reads may run to Petersburg. A considerable sale of the covers is reported.

### Bottlers Provide for Research

**T**HE AMERICAN Bottlers of Carbonated Beverages, the national association of soda water manufacturers, has provided an endowment for research at Iowa State College, Ames, Iowa. A well-equipped, modern laboratory will be available for investigations in behalf of the bottlers. The work will be directed by Professors J. H. Buchanan and Max Levine. They will analyze samples of products to determine how they may be improved in quality and palatableness, and how spoilage and deterioration may be avoided. Counsel will be offered on plant sanitation.

### Classes for Wisconsin Retailers

**C**ORRESPONDENCE courses in retail trade are offered by the extension division of the University of Wisconsin in cooperation with the Wisconsin Association of Commercial Organization secretaries. Instruction is to be given in retail selling and window dressing, store management, retail advertising, sign card writing, and business correspondence. The courses are brought to the attention of merchants by the secretaries of commercial organizations and by representatives of the university's extension division, stationed at Oshkosh, Superior, Wausau, and Eau Claire.

Provision is made for holding classes in stores and to that purpose, full instruction for conducting class meetings will be sent to any store

so that the store manager may direct the work of the class from the text information supplied by the university. The papers are to be graded by members of the university staff at Madison, and reports of the progress made by students will be made from the university to the heads of business concerns, should they so desire.

#### Wage Conferences Avert Strikes

LABOR troubles in the textile industry of Fall River, Massachusetts, have been virtually eliminated through semiannual wage conferences between representatives of the workers and of the employers. No strike of any considerable magnitude has occurred since 1904, the year in which agreement was reached to submit differences to negotiations.

The willingness of manufacturers and operatives to meet for full and frank discussions of their common interests has developed an active spirit of cooperation in safeguarding the continuity of production and of employment. The city includes 111 cotton mills with 36,000 operatives, chiefly of English, Irish, French-Canadian, and Portuguese stock. The majority of the workers are thrifty, and the high quality of their "Americanization," together with the resident ownership of the mills, is an important contributing factor in preserving conditions favorable to industrial operations in Fall River.

#### Chamber Divisions to Meet

THE FOUR divisions of the Chamber of Commerce of the United States, organized under the decentralization plan, will hold their first mid-year meetings in January. Representatives of the eastern division will meet at Philadelphia, January 17 and 18; of the northern central division at Chicago, January 21 and 22; of the southern central division at New Orleans, January 24 and 25; and of the western division at San Francisco, January 29 and 30.

#### Ashtabula Offers Sightseeing Rides

FEELING that one of the best ways to advertise Ashtabula to outsiders is to show them the city, the publicity and convention committee of the Chamber of Commerce at Ashtabula, Ohio, is working out a plan whereby guests of the hotels may be taken for sightseeing rides, says the *Ashtabulan*, published by the Ashtabula Chamber of Commerce. The service proposed by the committee will be undertaken by volunteers from the chamber's membership.

#### Research to Aid Meat Packers

A GIFT of \$2,500 a year for the purpose of creating a research fellowship in connection with the newly organized Institute of Meat Packing at the University of Chicago has been made by Arthur Lowenstein, chairman of the committee on scientific research of the Institute of American Meat Packers, and vice-president of Wilson & Company, Chicago. Results of the research will be made available to the entire meat-packing industry throughout the United States.

The holder of the fellowship will undertake scientific investigations related to the packing industry. The research work will be supervised by Professor Edwin O. Jordan, chairman of the department of hygiene and bacteriology at the university.

The Institute of Meat Packing was recently established at the university through the cooperation of the university and the American Institute of Meat Packers. Evening courses for employees of the meat-packing industry in Chicago are now available at the downtown rooms of the university. Correspondence courses will be offered after January 1, and a four-year curriculum of day courses is to become available by October 1, 1924.

#### Eye Hazards in Industry

THE NATIONAL Committee for the Prevention of Blindness has revised and enlarged the scope of its publication "Eye Hazards in Industrial Occupations," first issued in 1917.

In its revised form the bulletin will include all the available information on the subject of eye



## Where to deposit surplus funds

In Chicago, the Continental and Commercial group of banks is the logical depository for unemployed funds of individuals, firms, corporations, societies, associations, governments and banking institutions.

Here in Chicago, this great commercial and financial center, we are in close touch with the money markets of the whole country.

Security and income are afforded for temporarily idle money and we are able to give valuable advice and assistance to depositors when they wish to make permanent investment of their deposits.

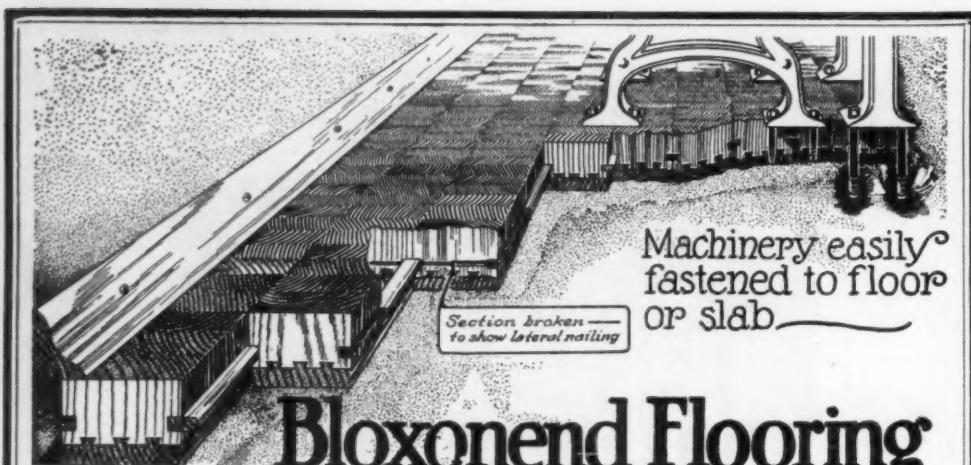
There is variation in sectional and seasonal demand for and supply of money. But the broad reach of these banks makes possible the advantageous placing of funds at all seasons.

Our direct connections with 7,500 banks help to make our service nation-wide, in fact world-wide.

*"An extra measure of service"*

**The CONTINENTAL and COMMERCIAL BANKS**  
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*Resources more than \$500,000,000*



## Bloxonend Flooring

### Representative Users

American Can Co., 9 plants  
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 Ford Motor Co., 8 plants  
 Jones & Laughlin Steel Co., Pittsburgh  
 National Lamp Works (G.E.), 5 plants  
 Standard Sanitary Mfg. Co., 2 plants  
 Swift & Co., Kansas City, Kans.  
 Western Electric Co., Chicago, Ill.

Blocks of selected Southern Pine on end, securely dovetailed onto substantial baseboards, provide a surface that stands up and stays smooth under even abnormally hard usage.

Bloxonend comes to the job in built-up strips nearly 8 feet long. When laid with splines and nailed, these strips are formed into a compact composite unit. No tar or creosote; no loose blocks to kick out and break the regularity of the surface.

Bloxonend is rapidly laid over old or new concrete or wood floors without interrupting operations.

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**BLOXONEND**  
*Lays Smooth* **FLOORING** *Stays Smooth*

## Made a Million Out of Pennies

HERE is a paragraph out of an unusual article which will appear in the February NATION'S BUSINESS.

"On Hudson Street in Lower New York, a big candy shop lifts its head; Henry Heide, Incorporated, its sign reads—and to the student of commercial geography here is a graphic picture of man's mastery of nature. Into this huge building there pours the year round a stream of raw products from all the markets of the earth. Sugar, corn syrup, licorice, cocoa nuts, almonds, cochineal, gum Arabic, figs, dates, peanuts, corn starch, cocoa beans—think of the millions who toil to help Henry Heide make a candy dog that sells for a cent!"

And Henry Heide has made a fortune out of penny candies.

hazards in industrial occupations. The field research work for the revised edition was completed under the supervision of Lewis H. Carris, managing director of the committee. Cooperating with the committee in the work of revision were: The National Safety Council, the Safety Institute of America, the American Society of Safety Engineers and ophthalmologists.

The committee announced from its headquarters at 130 East 22d Street, New York City, that the revised bulletin would be ready for distribution about January 1. Applications for copies of the bulletin should be addressed to the Committee.

### Coming Business Conventions

|         | January       | City  | Organization |
|---------|---------------|---|--------------|
| 4       | New York      | Pyroxylin Plastics Manufacturers Association                            |              |
| 7-9     | Memphis       | Mason Contractors Association of U. S. and Canada                       |              |
| 8       | New York      | Associated Fur Manufacturers  |              |
| 8       | Detroit       | Lumber Carriers Association of the Great Lakes                          |              |
| 8       | Boston        | New England Wholesale Coal Association                                  |              |
| 8-11    | Kansas City   | Western Fruit Jobbers Association of America                            |              |
| 9       | New York      | Asphalt Association   |              |
| 9-10    | Boston        | Eastern Soda Water Bottlers Association                                 |              |
| 2d week | Omaha         | Mid-West Implement Dealers Association                                  |              |
| 14      | Spokane       | Western Red Cedar Association   |              |
| 14-18   | Chicago       | American Road Builders Association                                      |              |
| 15-17   | Kansas City   | American Wood-Preservers Association                                    |              |
| 15-17   | Chicago       | Better Bedding Alliance of America                                      |              |
| 15-16   | New York      | National Boot and Shoe Manufacturers Association of United States, Inc. |              |
| 15-17   | Kansas City   | Western Retail Implement Hardware Association                           |              |
| 16      | New Orleans   | Turpentine and Rosin Producers Association                              |              |
| 16-18   | Minneapolis   | Northwestern Lumbermen's Association                                    |              |
| 16-18   | Jacksonville  | National League of Commission Merchants of the United States            |              |
| 17      | New York      | American Exporters and Importers Association                            |              |
| 17      | Chicago       | American Walnut Manufacturers Association                               |              |
| 17      | New York      | National Jewelers Board of Trade  |              |
| 17-18   | Kansas City   | National Association of Railroad Tie Producers                          |              |
| 21      | Spokane       | Associated Industries of the Inland Empire                              |              |
| 21-26   | Buffalo       | Canning Machinery and Supply Association                                |              |
| 23-24   | Buffalo       | National Pickle Packers Association                                     |              |
| 23-24   | Atlantic City | United Roofing Contractors Association                                  |              |
| 23-25   | Kansas City   | Southwestern Lumbermen's Association                                    |              |
| 26-30   | Chicago       | National Automobile Dealers Association                                 |              |
| 28      | New York      | National Association of Dyers and Cleaners                              |              |
|         | Chicago       | American Fruit and Vegetable Shippers Association                       |              |
|         | New York      | American Lace Manufacturers Association                                 |              |
|         |               | American Malleable Casting Association                                  |              |
|         |               | Associated General Contractors of America                               |              |
|         |               | Indianapolis(?) Central Electric Railway Association                    |              |
|         |               | New York(?) Compressed Gas Manufacturers Association                    |              |
|         |               | Chicago Gas Products Association  |              |
|         |               | Chicago(?) Hollow Building Tile Association                             |              |
|         |               | New York International Association of Clothing Designers                |              |
|         |               | Mid-West Rubber Manufacturers Association                               |              |
|         |               | Millinery Chamber of Commerce   |              |
|         |               | New York Motorcycle and Allied Trade Association                        |              |
|         |               | Denver Mountain States Lumber Dealers Association                       |              |
|         |               | Boston National Association of Shot Wholesalers                         |              |
|         |               | Buffalo National Canners Association                                    |              |
|         |               | Buffalo(?) National Preservers and Fruit Products Association           |              |
|         |               | Cleveland National Slag Association                                     |              |
|         |               | Chicago National School Supply Association                              |              |
|         |               | New York National Slate Association                                     |              |
|         |               | Northeastern Retail Lumbermen's Association                             |              |
|         |               | Milwaukee Northern Hemlock and Hardwood Manufacturers Association       |              |
|         |               | New York Rubber Association of America Inc.                             |              |
|         |               | New Orleans Southern Metal Trades Association                           |              |

# Some Extra Values You Get in These Hotels:

MANY of the newer of the country's first-class hotels give you some of these things; but, so far as we know, the Statlers are still unique in offering all of them:

Every—every—room in these hotels has a private bath, circulating ice-water, full-length mirror, completely-equipped writing desk, reading-lamp on bed-head or portable reading-lamp, desk-lamp, pincushion (with threaded needles, buttons, etc.), besides the more usual conveniences.

A morning paper is delivered free to every guest room.

Everything sold at the news stands—cigars, cigarettes, tobaccos, newspapers, etc.—is sold at prevailing street or street-store prices. You pay no more here than elsewhere.

In each hotel is a cafeteria, or a lunch-counter, or both—in addition to its other excellent restaurants. Club breakfasts—good club breakfasts—are served in all the hotels.

Each hotel maintains a large and well-selected library; you may withdraw books and keep them as long as you

remain in the hotel, without charge.

The rate of every room is shown by a printed, framed card, permanently attached to the wall of that room. You know that you pay no more, no less for that room than do other guests.

## And the Rates

Though every room has private bath and running ice-water, Statler rates are no higher than those of other first-class hotels—which means that they give you *extra values, whatever the rate*. These hotels are well-balanced, too; more than 82% of all rooms in Hotels Statler are \$5 or less, as are also more than 55% of all those in Hotel Pennsylvania.

## Guarantee of Statler Service

We guarantee that our employees will handle all transactions with our guests (and with each other) in the spirit of the golden rule—of treating the guest as the employee would like to be treated if the positions were reversed. We guarantee that every employee will go to the limit of his authority to satisfy you; and that if he can't satisfy you he will immediately take you to his superior.

From this time on, therefore, if you have cause for complaint in any of our houses, and if the management of that house fails to give you the satisfaction which this guarantee promises, the transaction should then become

a personal matter between you and me. You will confer a favor upon us if you will write to me a statement of the case, and depend upon me to make good my promise. I can't personally check all the work of more than 6,000 employees, and there is no need that I should do so; but when our promises aren't kept I want to know it.

My permanent address is Executive Offices, Hotels Statler Co., Inc., Buffalo.

*Emory Allen*

### HOTELS STATLER

BUFFALO: 1100 rooms, 1100 baths. Niagara Square. The old Hotel Statler (at Washington and Swan) is now called Hotel Buffalo; and the old Iroquois Hotel is closed, not to re-open. CLEVELAND: 1000 rooms, 1000 baths. Euclid, at E. 12th. DETROIT: 1000 rooms, 1000 baths. Grand Circus Park. ST. LOUIS: 650 rooms, 650 baths. Ninth and Washington. BOSTON: Now preparing to build at Columbus Ave., Providence and Arlington Sts.

# STATLER

and Statler-operated

# HOTELS

### Hotel Pennsylvania

New York

The largest hotel in the world—with 2200 rooms, 2200 baths. On Seventh Avenue, 32d to 33d Streets, directly opposite the Pennsylvania Railway Terminal. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courtesy, intelligent and helpful service by all employees.

Every room has private bath and running ice-water; in every room is posted its rate, printed in plain figures.



Durham's New Hotel

## Ask Durham How They Did It!

Durham, N. C., needed a new hotel, but how to get it was their problem. The Durham Chamber of Commerce solved the problem in this way:

They called in Hockenbury specialists, who, in a one-week's intensive sales effort, secured \$902,100, to meet an objective of only \$500,000.

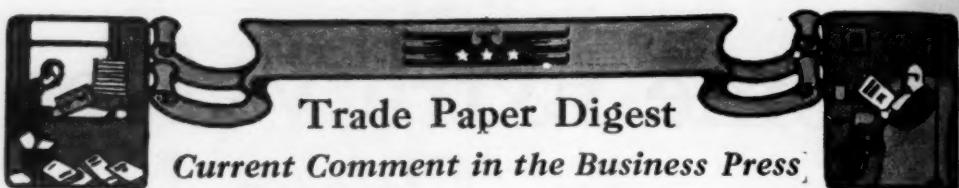
Naturally, Durham is pleased, for their new hotel will soon be under way.

If your town faces a hotel problem, perhaps you may get some helpful suggestions from the columns of **THE HOTEL FINANCIALIST**, a monthly publication devoted to community hotel finance.

A line with your name and address will place you on the mailing list. It's sent gratis to members of Chambers of Commerce.

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THAT business throughout the country is eagerly snatching at the relief offered by Secretary Mellon's plan for the reduction of the federal income taxes is apparent from the general tenor of the trade press.

"An exceedingly wise suggestion," says *Manufacturers Record*; "Bankers . . . would welcome heartily the inauguration of a cut in federal taxation such as Secretary Mellon has suggested," remarks *The American Banker*; "Secretary Mellon's recommendations for tax reductions will be commended by business men and manufacturers as a stimulus to business," agrees *Drug and Chemical Markets*; "Economics and sound finance are on the side of the Secretary of the Treasury," says *Engineering News-Record*; while *The Commercial and Financial Chronicle* characterizes the plan as "the political sensation of the day," and adds: "Public sentiment from one end of the country to the other is united in a general chorus of approval."

However, though the trade press is thoroughly in agreement that some such reduction as that proposed by Secretary Mellon should be brought about, comment on the details of his plan is varied.

*The Commercial and Financial Chronicle*, for example, while giving its enthusiastic approval to the plan as a whole, feels that "in the matter of surtaxes particularly, . . . the new law should go very much further than the Secretary is at present inclined to go," and that within three or four years surtaxes should be completely abolished in order that the money might be set free for industrial development.

Furthermore, the *Chronicle* suggests that in order to make up for the loss of revenue from the elimination of the surtaxes, the theater tax be retained and the 25 per cent reduction in the tax on earned incomes be abandoned. With regard to the tax on theater tickets, "a luxury tax is the soundest of all taxes," declares the *Chronicle*, while with regard to the proposed 25 per cent reduction on the tax on earned incomes, the *Chronicle* believes that:

... inasmuch as taxes are to be reduced anyway, the normal taxes, now 4 and 8 per cent, to 3 and 6 per cent, and the surtaxes by one-half, there seems to be no good reason for going still further and cutting off an additional slice in the case of a part of the taxpayers. In the second place, the benefits would accrue in great part to persons not in need of special favors. The proposition is to tax "more lightly income from wages, salaries and professional services than the income from a business or from investment." This could be of not the slightest advantage to the preponderating class of wage earners, since their income even under existing law is absolutely exempt. . . .

With regard to the bonus, which cannot long be kept waiting in the ante-room when any conference on taxation is in process, the *Chronicle* has a novel plan. Let the tax reduction plan go on as if the bonus question were not in existence, it says in effect. But meantime, let the bonus be put to a referendum at the presidential election next year, canvassing not only ex-service men but the whole population and letting each voter clearly understand just what the bonus would cost him, on the basis of a small special tax of universal application. The results of this referendum, it points out, while not legally binding on Congress, would, if the vote was in any way decisive, undoubtedly be accepted by everyone in Congress.

Almost exactly opposite to *The Commercial and Financial Chronicle* are the views of *Manufacturers Record* on the reduction of the tax

on earned incomes, for this publication sees as the most welcome phase of Mr. Mellon's scheme the plan to reduce this particular tax:

The man who is earning an income is using up the capital of his life. The man who is living on an income earned in former years is simply consuming not his capital but the increment therefrom. A man having an income, say, of \$10,000 a year from investments is in an entirely different position from a man who has \$10,000 a year salary or earnings from his work. One is living on the accumulated capital of former years, most of which was accumulated prior to income taxation, while the other is living on his very life blood without, perhaps, any accumulation for later years. . . . In this respect Secretary Mellon's advice is exceedingly wise. It should be adopted without hesitation.

In general, the note is one of approval of the plan, and especially of that part of it which provides for the reduction of surtaxes. "Secretary Mellon has shown that the excessive supertaxes defeat their own purpose in that the large incomes are annually paying less to the upkeep of government," says *Engineering News-Record*; "From the viewpoint of the country rather than the millionaires benefited, this (reduction of surtaxes) is the most important reduction of all, since high surtaxes are the worst handicaps on enterprise we have," is the belief of *The American Banker*; "the excessive surtaxes have been a failure," agrees *Drug and Chemical Market*; while *The National Stockman and Farmer*, although frankly expecting to be accused of "being in caboots with millionaires who want to escape taxation," expresses its conviction that "high surtaxes are a failure as revenue producers, whereas lower surtaxes are successful in increasing revenues, in promoting business and in preventing capital from flowing into tax-exempt securities."

### Fur Trade Defends Trapping; Denies Useless Cruelty Charge

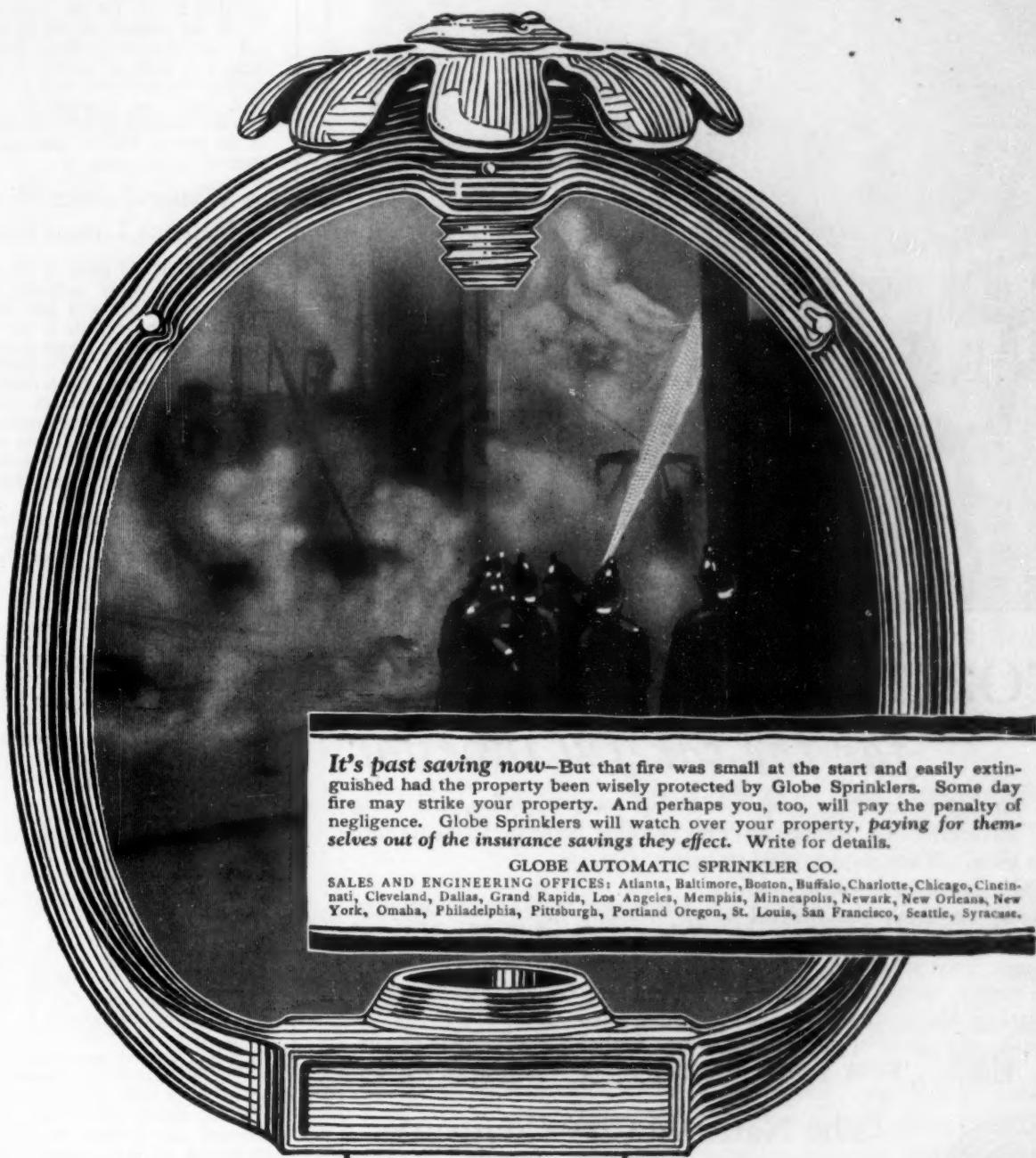
THAT the fur industry should take quick steps to counteract the injury done to the trade by the recent anti-fur propaganda of the American Humane Society is the opinion of *Fur Trade Review*, which in a late issue reprints various statements of the society to the effect that 20,000,000 animals are put to torture in steel-jaw traps that American women may be fashionably clothed; that furs are not necessary for warmth, and finally that artificial furs from fabrics should be used as a substitute.

The meeting of the Humane Society was, in the opinion of the *Fur Trade Review*, somewhat robbed of its high purpose by the demonstration of artificial furs, a thing which, in the belief of the *Review*, greatly weakened and commercialized the society's position.

Furthermore, *Fur Trade Review* calls to mind the fact that if trapping of fur-bearing animals were legally abolished, the result would be a serious menace to farmers and stockbreeders. With regard to the substitution for the steel-trap, of a trap which will not hurt the animals, the *Review* believes that trappers in the United States and Canada would be entirely willing to adopt such a trap, and that the fur trade would have no reason to oppose it, provided a device of this sort could be produced.

The *Review* concludes:

The fur industry is keenly alive to its problems. It has a far better insight into the question of conservation and the propagation of fur-bearing animals than have any of the biological experts or anti-fur societies, and it



**It's past saving now**—But that fire was small at the start and easily extinguished had the property been wisely protected by Globe Sprinklers. Some day fire may strike your property. And perhaps you, too, will pay the penalty of negligence. Globe Sprinklers will watch over your property, *paying for themselves out of the insurance savings they effect*. Write for details.

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# GLOBE

SPRINKLERS



Photo by Fairchild Aerial Camera Corp.

## Broad Views— for the careful investor

THE far-sighted investor keeps the advantage of municipal bonds in view. They do not yield the highest rates of interest but their exemption from the Federal Income Tax is an important consideration.

By loaning his money through such issues, the investor helps to improve highways, build schools,

develop water supplies, and bring many other civic betterments into being.

Great care marks the selection of all bonds offered by The National City Company to the investors of the country. A broad list of recommended bonds, including municipal issues available for immediate purchase, will be mailed upon request



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has been working on this problem and getting practical results for the past ten years.

The fur industry is not so slow, nor selfish, nor short-sighted as those who delight in attacking it seem to think. It has always met constructive criticism half way and it always will. And no amount of biased and ill-founded abuse will influence the trade one jot in the lawful, sensible and well-regulated conduct of its business.

### Do Winter-Construction Gains Balance Losses and Hazards?

CONTRACTORS going in for winter construction must study carefully all hazards and extra costs, or they will find themselves in for a lot they didn't expect, is the opinion of *The American Contractor*, which goes on to say that in addition, it is well for a contractor, attempting to build in winter for a client, to lay frankly before the client the hazards and extra costs he will face. The *Contractor* adds: "To contract for cold weather work before doing these two things is to invite loss of money and loss of confidence in the men for whom you do contracting work."

Even if this is all taken into account, however, it is the belief of *American Contractor* that it is just as well not to force too much winter construction:

There will be much of the great volume of building of this year carried into the winter. . . . The supply of tradesmen in some trades is still low as compared with work which might be done. If, by any chance, there should be so much winter building that there will be no chance for a rest on the part of any men, these men will enter on spring work with but one big idea—they will want higher wages and they will be in the saddle to get them.

### Better Cotton Designs Urged To Stimulate Fabric Demand

WITH something like 25,000 New England gingham looms idle, says *Textile World*, no better time could have been chosen by the National Association of Cotton Manufacturers to impress upon the cotton manufacturers of that section the necessity of diversifying production and of developing a higher reputation for artistic design and fabric construction.

A recent booklet containing the report of the association's exhibition committee and an introduction by Robert Amory, president of the association, states that mills producing woven-patterned and printed cottons have "neglected possibilities of style appeal and beauty," and that much might be attained through study of the association's exhibition and the exhibit of artistic fabrics and modern designs at the Boston Museum of Art, the object being to put gingham and other mills in a position to anticipate styles and to become independent of them.

This would, in the opinion of *Textile World*, undoubtedly result in a more permanent and broader market to the gingham mills and others producing woven-patterned and printed cottons, although it is not generally adapted to large-scale production, and would prove rather a partial relief for the present situation than a cure.

### Grain Alcohol Users Incensed At Search by Prohibition Agents

MANUFACTURERS using grain alcohol in their business are considerably exercised over the recent announcement of the Prohibition Commission that, under penalty of forfeiture of their licenses, all holders of permits under the prohibition law must submit to search of their premises whenever any enforcement agent so desires.

"What's the Constitution among Bigots?" heads an editorial on the subject in *Paint, Oil and Chemical Review*, in which the practice is characterized as "peculiarly exasperating," and

"entirely unconstitutional." The *Review* concludes with a recommendation that "only thoroughly qualified lunatics be allowed to act as prohibition enforcement officers and that they be compelled to wear a bell around their necks when engaged in the nefarious performance of their supposed duties."

Similarly, *Oil, Paint and Drug Reporter* deplores the regulation and states:

An individual may voluntarily waive the immunity secured by the fourth amendment. But is that waiver one of volition when the alternative is loss of a permit necessary to the pursuit of an honorable, legitimate livelihood? Peculiarities have carried zealous prohibition officials on extra-legal excursions, but it would seem that extra-constitutional venturing is just a little beyond the limit.

### How Hardware Manufacturers Can Put Over Industrial Films

SOME sound advice to hardware manufacturers who are producing industrial films showing the manufacturing process of their goods is contained in *Hardware Dealers' Magazine*. While some of the films are making good and are being worn out doing good work, most of them are flat failures, in the opinion of this publication.

*Hardware Dealers' Magazine* makes the following suggestions:

Limit your story to one, or, at the most, two reels. They will be shown much more frequently, as dealer programs are seldom if ever limited to movies.

Do not substitute another film for the one the dealer requests.

If you have secret, unpatented machines which you do not want to show, skip that picture. The rest of your process is probably uninteresting.

Don't let the photographer sell you an uninteresting picture by sandwiching in a few hundred feet showing the board of directors, each trying to look wise and looking intently at a sheet of paper. It may tickle someone's vanity, but dealers won't care for it.

Use animated or mechanical drawings to show processes that take place in machines that hide a good view of what is happening.

Avoid repetition of a part of one picture in several others. The films may be seen by the same group, or even used on the same night.

When a dealer asks for a certain one of your films, do not substitute another for it. His audience may have seen the film you would substitute.

### Lumber Press Comments

#### On Forestry Referendum

A HINT of how the eight recommendations of the National Chamber's committee on forestry policy may strike the lumber trade may be gained from a survey of the statements appearing recently in various lumber publications:

"Of inestimable value in considering a national policy for forest protection," is the phrase used by *Hardwood Record*; "Of much interest to the Northwest, where one-half of the remaining stand of virgin timber is found," says *West Coast Lumberman*; "Generally speaking, practically all of the recommendations meet with approval," adds *New York Lumber Trade Journal*; while *Southern Lumberman* comes forth with the dissenting note that, should the program be carried out, it would be "deplorably inimical to the best interests of the lumber industry and the public at large."

The opposition of the *Southern Lumberman* is first to the recommendation for a forestry or conservation commission created by the state for the purpose of formulating "a code of forest management acceptable to the federal Department of Agriculture." This might, it believes, result in "open invitation to provide," in consideration of federal subsidy, for regulation of



## To Exporters

ARE you utilizing the services which a bank such as this Company affords, for facilitating and protecting your export transactions?

*Have you facilities adequate for your needs in the collection of drafts payable abroad?*

This Company renders a direct and efficient service in collecting drafts payable abroad. Its experience, its foreign offices, and its relations with leading banks are obviously of great benefit to the exporter.

*Have you at your disposal satisfactory credit arrangements for the financing of your exports?*

This Company extends credit lines to houses of standing for financing shipments to foreign countries. We discount customers' dollar drafts at flat rates or make advances against the drafts, as desired. We are also prepared to quote rates for the purchase of drafts drawn in foreign currencies.

*In foreign currency sales, do you protect yourself against possible declines in exchange?*

By arranging a forward exchange contract with us, the exporter can definitely fix the amount of the dollar proceeds of sales made in foreign currencies.

## Guaranty Trust Company of New York

MAIN OFFICE: 140 BROADWAY, NEW YORK

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ANTWERP

## The Experiment

### Its Use and Abuse in Business Management

Experiment is the re-creating life-blood of Progress. It is necessary when confined to new and unsolved problems in business management and control. But too often Experimenting is only another word for "Guessing"—blind striving after the right system or practice which already exists and which experience has established as exact knowledge. In such cases experiment is a costly and wasteful pastime.

Progressive Business is wisely guided today by the known results from a mass of individual experiments. Where the results of such experiments fit its needs, Progressive Business accepts them and, by putting them into practice, contributes to progress.

The most practical and useful results of individual business methods and experience—all that is best in business management and control—are visualized thousands of times in the practice of Ernst & Ernst.

Ernst & Ernst eliminate unnecessary experiment and contribute to better business today a service of exact knowledge based on long and practical experience.

## ERNST & ERNST

### AUDITS — SYSTEMS TAX SERVICE

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| NEW YORK     | CLEVELAND  | DETROIT      | ST. PAUL      | LOS ANGELES |
| BUFFALO      | CINCINNATI | GRAND RAPIDS | DAVENPORT     | ATLANTA     |
| ROCHESTER    | TOLEDO     | KALAMAZOO    | INDIANAPOLIS  | NEW ORLEANS |
| BOSTON       | COLUMBUS   | PITTSBURGH   | ST. LOUIS     | DALLAS      |
| PROVIDENCE   | YOUNGSTOWN | WHEELING     | KANSAS CITY   | HOUSTON     |
| PHILADELPHIA | AKRON      | ERIE         | OMAHA         | FORT WORTH  |
| BALTIMORE    | CANTON     | CHICAGO      | DENVER        | SAN ANTONIO |
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## Complete Index of All Articles in The NATION'S BUSINESS during the year 1923 now ready

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**The NATION'S BUSINESS**  
Washington, D. C.

the lumber industry in accordance with a code dictated by the federal Department of Agriculture." The same threat of extraneous influence is seen by this publication in the provisions relating to fire protection and taxation.

Finally, *Southern Lumberman* fears that the creation by Congress of "a national forest council to have functions of advice to administrative officials and a membership of nine, one to be the federal forester and the others to represent views of public, timber men and foresters, members of the council to serve without remuneration" would result in such a loose organization that its accomplishments would be "of negative value."

"The other three recommendations of the committee" (national survey of forest resources, increase in federal appropriations for fire protection and enlargement of federal research and experiment in forest products) "are as commendable as the preceding three are open to criticism," *Southern Lumberman* concludes.

More favorable is the comment of Col. Henry S. Graves, president of the American Forestry Association, whose views are printed in *Lumber World Review*. "Colonel Graves is in hearty sympathy with the recommendations of the forestry committee except in two particulars," says the *Review*, and goes on to say that while the recommendations would seem to indicate that Weeks law purchases should be largely confined to waste lands which will not reproduce by natural means, it is the belief of Colonel Graves that purchase of timbered land is desirable, particularly where the timber is of young and immature growth; and that while the report apparently suggests that purchases of forest land by the Government might profitably be based upon purchase in equal amount by the state, it is Colonel Graves' opinion that this would result in expenditures by certain states containing the headwaters of navigable streams for the benefit of navigation accruing to other states.

Finally, *Hardwood Record*, while not discussing any of the specific provisions, expresses its belief that, "because of the excellence of the committee personnel and the exhaustive investigation it undertook" the report will be of great benefit in formulating a national forestry policy. It concludes:

... the report is of sufficient worth to warrant its acceptance as a classic. Facts galore are presented and are so related both in the individual reports and as between the two, affirmative and dissenting reports, that the composite picture is exceptionally complete.

### Tire Industry Makes Progress In Straighter Merchandising

DEFINITE progress is being made by the tire industry in straightening out its merchandising methods, says *Automotive Industries*, in commenting on several activities which have been recently begun and which promise to bear fruit in the next few months.

The investigation of tire retailing practices, carried on by the Harvard Bureau of Business Research under the sponsorship of the Rubber Association of America, this publication characterizes as "perhaps the most important step yet taken," and adds that it will develop exactly the information most needed.

Furthermore, says *Automotive Industries*, the recommendation made to Rubber Association members to modify spring dating policies—that is, an extension of credit to retailers on goods sold in an "off" season until such time as the regular seasonal demand is expected to begin—indicated a "growing realization of the important effects of this practice, the abolition of which was advocated by tire dealers in their recent convention."

This paper concludes:

All of these moves indicate a growing tendency to find out actual facts and to use them as a basis for future marketing plans. . . . The trend is very definitely along lines of permanent progress.

## Some Recent Federal Trade Cases

This article outlines some of the charges, findings and orders issued by the commission in consideration of complaints proceeding from trade practices in connection with:

|                  |               |
|------------------|---------------|
| Books            | Hair Dye      |
| Cigars           | Oil Stocks    |
| Coffee and Tea   | Paint         |
| Dairy Products   | Pork Products |
| Glue             | Radium        |
| Grain            | Rope          |
| Groceries        | Textiles      |
| Textile Finishes |               |

**A** CIGAR manufacturer of Red Lion, Pennsylvania, and a broker of Indianapolis are charged with using misleading words in the brand name and on the labels of cigars offered for sale to the public. The complaint alleges that the manufacturer and the broker advertise and sell cigars made in Red Lion, labelled "Tampa Ribbon" in conjunction with the word "Havana" on the border of the labels. The cigars so labeled are not made of Havana tobacco, the commission explains, in holding that the acts of the two men have the tendency and are calculated to deceive and mislead the purchasing public into the belief that the cigars so branded are made in Tampa, Florida, from tobacco imported from Cuba, and generally recognized as Havana tobacco.

**A** WHOLESALE grocers' association at St. Louis has been ordered by the Federal Trade Commission to discontinue the practice of coercing and threatening manufacturers into guaranteeing their products against decline in prices. According to the commission's statement, it found that the members of the association named in its complaint, acting in co-operation among themselves, used various methods in an effort to compel manufacturers to protect the members of the association against loss when the prices of the manufacturers' products were lowered. Among the methods alleged to have been used and specifically prohibited by the commission's order are:

The practice of reporting to the association the names of manufacturers who do not guarantee the prices of their commodities against decline; publishing in bulletins and letters a list of such manufacturers together with information emphasizing the advisability of members confining their purchases to manufacturers who do guarantee against price decline; boycotting or threatening with loss of patronage any manufacturer who does not guarantee against price decline; and by utilizing any other equivalent cooperative means of obtaining from manufacturers guarantees or assurances against decline in price of their commodities.

**U**NFAIR methods of competition are charged against a dairyman of Worthington, Minnesota. In the commission's citation, he is charged with giving and offering to give to competitors' employees increased salaries, compensations, and other valuable consideration for the purpose of inducing the employees to terminate their contracts of employment with his competitors, and that he has induced lessors to violate and terminate their contracts of lease for buildings to competitors. The complaint further alleges that his acts were contrary to practices condemned by a large number of creamery owners in various states at a trade practice submittal held at the invitation of the commission, and that he was well acquainted with the condemned practices. All of his acts described in the complaint, the commission contends, were for the purpose of destroying or appropriating in whole or in part the patronage, property or business of his competitors.

Similar charges are made against a New York

# The Whole World's Newspaper

The following news item is reprinted from the Anaheim, California, Bulletin of October 26, 1923:

A peculiar design of a bluebird as illustrated in an advertisement in a great American newspaper which found its way to South Africa, and resulted in an answer to the advertisement being sent to the Blue Bird Drapery and Decorating Shop in Anaheim, is the interesting experience of the local store.

As a result of the receipt of the letter yesterday from South Africa, the Blue Bird Shop is claiming the championship for long distance customers for Anaheim.

The letter, which is a request for information concerning goods advertised, follows:

Care Mrs. Philip Fennell,  
P. O. Box 2, Butterworth, C. P.  
South Africa.

September 15, '23.

The Blue Bird Drapery and Decorating Shop,  
Dear Sirs or Madam:

I saw your advertisement in The Christian Science Monitor and shall be glad if you will let me know if you sell the cushion covers in crash with the bluebirds flying, with silks to embroider or outline. I saw some in Transvaal two years ago, but cannot obtain any.

The design was on a sofa cushion, this style of thing, only two big birds and three or four smaller (illustration). Please let me know at above address.

Yours faithfully,  
MRS. J. WEST.

This item very well illustrates the fact that The Christian Science Monitor is the whole world's newspaper. In every country, the Monitor is read by people who are interested in clean, constructive journalism, and whose desire is to extend their friendly cooperation to manufacturers and merchants who advertise in this newspaper.

The Monitor carries on regular schedule the advertising of over 4,000 merchants and other retail advertisers in 450 cities of the United States, Canada, Great Britain, France, Switzerland, Italy, Australia, South Africa and other countries. This great number of distributing outlets is a factor in bringing to the Monitor the advertisements of manufacturers of widely distributed goods.

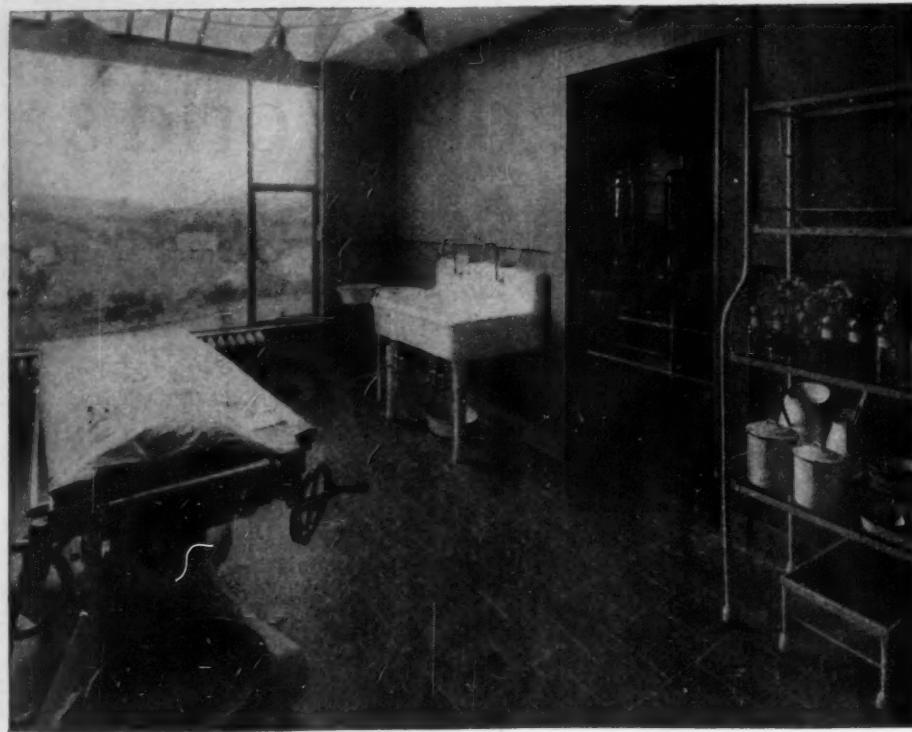
High-class investment houses, banks, railway and steamship lines, hotels, resorts, schools, publishing houses, also select the Monitor as a means of reaching a particularly desirable group of readers throughout the United States and other countries.

## The Christian Science Monitor

*An International Daily Newspaper*

PUBLISHED IN BOSTON AND READ THROUGHOUT THE WORLD

Branch Advertising Offices in New York, London, Chicago, Cleveland  
Kansas City, San Francisco, Los Angeles, Seattle



## A Floor That Is Safe—Quiet—Durable

The floor of the hospital operating room offers an opportunity for a real test of service.

In this room of the Fairlawn Hospital, Worcester, Massachusetts, Alundum Safety Tile is satisfactorily solving the problem of safety with its nonslip surface, comfort to the operator, quietness, and easy cleaning.

While safety and durability are paramount features the architect can bring the floor into his decorative scheme; there is a variety of color combinations.

There are Alundum Safety Tiles and Treads for all places where a nonslip floor is desirable and where economy depends on wear-resisting material.

**NORTON COMPANY**  
WORCESTER

New York

Chicago

Detroit

Philadelphia

NORTON COMPANY OF CANADA, LIMITED  
HAMILTON

ONTARIO

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## DIRECT MAIL SALES PRINTING A BIG SHOP IN A LITTLE TOWN Operated on the American Plan Since 1887

Trained Organization, Established Reputation, Nation-wide Business, Advantageous Location, Photographic and Art Service, Copy Writing if desired, Large Modern Equipment.

*EXPERT COLOR PRINTERS*

**A. B. MORSE COMPANY, St. Joseph, Mich.**

*When writing to NORTON COMPANY and A. B. MORSE COMPANY please mention the Nation's Business*

company engaged in selling textile starches, soluble oils and textile finishing products to operators of textile mills. According to the citation, the firm, in consideration of money gratuities given to employees of its customers, obtained for itself preference in the purchase of its commodities to the exclusion of like commodities sold by competitors. The gratuities, it is alleged, were given without the knowledge of the purchasing principal. Acts of that character, the complaint charges, are to the prejudice of the public and the company's competitors.

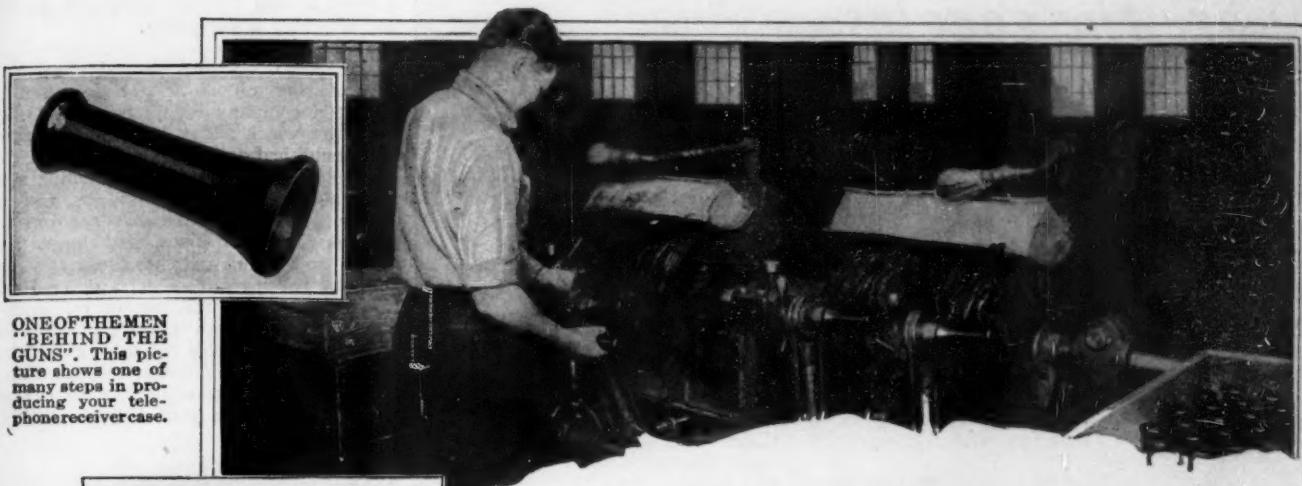
**T**HE USE of the word "mills" in a company's name when the company does not own, operate or control a mill is declared by the commission to be an unfair method of competition. The commission's position has fresh definition in cases involving concerns in Salt Lake City and Provo, Utah. A complaint against another company of Salt Lake City has been dismissed for the reason that the company has changed its name. The company is a manufacturer of knitted goods, and in the commission's complaint the use of the word "Woolen" in the company's name, when the company was in reality a knitting mill company, was considered confusing to the trade and public.

**A**FTER trial, a sausage company of Washington, D. C., has been ordered to discontinue representing, advertising or branding its sausage as made and prepared by a designated individual, unless and until its products are actually made and prepared by that individual. The commission found, it asserts, that the company used a label for wrapping its sausage bearing the legend "Made and Prepared by Thos. C. Phillips," and that the legend is false and misleading, because the sausage manufactured, advertised and sold by the company is not made and prepared by Thomas C. Phillips, but is in fact made and prepared by the persons named in the order, and because Thomas C. Phillips, according to the commission, has not at any time conferred on those persons any right to use the legend "Made and Prepared by Thos. C. Phillips."

**A**N ORDER requiring discontinuance of the practice of simulating a competitor's trade name has been directed to a New York manufacturer of millinery glue. The commission's investigation disclosed, it says, that the manufacturing company in exploiting its glue adopted the name "G I u" in close simulation to that of a competitor's product, long marketed under the registered trade name of "U-Glu." In addition to the similarity of names, the manufacturer also used labels containing words and designs closely resembling the labels of the U-Glu corporation, says the commission's statement. The order prohibits the use of the word "G I u" either alone or in any other manner in connection with the marketing of the company's millinery glue, and from using any labels in connection with its marketing which resemble in color, size, or design or in any other manner the labels used by "U-Glu, Inc."

**A**FTER reconsideration of its findings of facts the commission has rescinded prohibitory orders directed to two distributors of coffee in Baltimore, and one in Washington. The orders required the firms to discontinue the loaning or leasing of coffee urns to customers on condition that the customers will thereafter buy all their coffee from the distributing firms supplying the urns.

In another complaint the commission charges a Baltimore wholesaler of teas and coffee with offering opportunities decided by chance to its customers to receive premiums with each package of tea or coffee. The articles offered as premiums by the wholesaler, it is alleged, mislead the purchasing public into a belief that the premiums are free of cost to the purchaser, when in fact, the commission maintains, the cost of the premiums together with a reasonable profit on the premiums are included in the price paid



ONE OF THE MEN "BEHIND THE GUNS". This picture shows one of many steps in producing your telephone receiver case.



NO DETAIL TOO SMALL. The accuracy of Western Electric telephones is possible only because of the care which our people devote to these thousand and one details.

## Makers of your telephone — and proud of it

BACK of the iron and copper and rubber which make a telephone, the real raw materials are the ambitions of 34,000 men and women.

These people, at the Western Electric works in Chicago, have hitched their wagon to the star of a perfect telephone. When you consider how important good telephone communication has become in your daily life, this is no low aim.

The leadership of Western Electric in the manufacture of telephones is traditional, dating as far back as 1877. It is natural that the present makers, many of them the second and third generation, should be alert to advance this reputation.

### Western Electric

Since 1869 makers of electrical equipment



A MASTER CRAFTSMAN. You can be sure that his keen eye and steady hand will turn out none but the best.

MAKING TELEPHONES OF PAPER. Every one of the 201 parts of your telephone had first to be drawn on paper. This draftsman's work has much to do with successful production.



INSPECTING THE RECEIVER CAP. You hear right partly because this young woman did her job right.

## Here are the goggles your workmen will wear



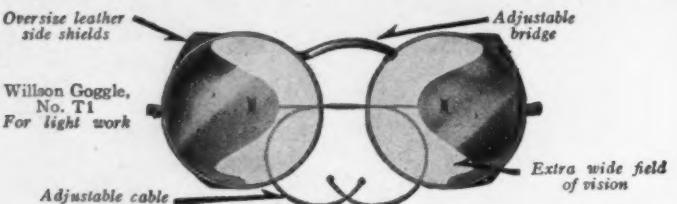
Willson Goggle, L3 1/2. For chipping and other dangerous work. Extra deep eye cups.



Willson Goggle, No. T1. For light work. Extra wide field of vision.



Willson Goggle L1. Triangular Welding Goggle. Effectively protects against glare and burns.



IT is useless to buy goggles unless your workmen will wear them, and they won't wear uncomfortable goggles.

Don't give your workmen just "goggles." Give them Willson Safety Goggles, made for comfort as well as safety. They fit snugly and rest lightly over the eyes without binding, pinching or chafing, and give maximum protection.

WILLSON GOGGLES, INC., Reading, Pa.  
Largest factory in the world making goggles, respirators and welding helmets exclusively.

# WILLSON Goggles

GUARANTEED RELAYING RAILS

30% to 50% below price of new rails.

Shipped subject to inspection and approval at destination.

L. B. FOSTER CO., Inc.  
Pittsburgh — New York

WAREHOUSES:  
PITTSBURGH PHILADELPHIA JERSEY CITY HAMILTON, O.  
Phone, Wire or Mail Inquiries, Given Immediate Attention

25,000 Tons in Stock

L.B. FOSTER CO.  
PITTSBURGH, PENNSYLVANIA

When writing to WILLSON GOGGLES, INC., and L. B. FOSTER CO., please mention the Nation's Business

for the wholesaler's tea and coffee. Unfair competition is seen by the commission in the practice of which it complains.

MISLEADING and deceptive statements in offering oil stock for sale are charged against a company of Washington, D. C., in a complaint which alleges that the company advertised, published and circulated by means of prospectuses and other means, misleading statements concerning the operations, finances, and prospects of the company. Further allegations are that erroneous representations, particularly as to the extent and value of the company's corporate holdings, the number of acres of land owned or leased, and the production of oil wells located on the corporation's property, were circulated in an effort to induce the sale of the company's oil stock. The commission believes that the alleged acts of the company are to the prejudice of the public, and that they constitute unfair competition.

DESIGNATING a product as radium when it is not radium is ordered discontinued by the commission. The commission's investigation revealed, it explains, that one of the men named in the complaint manufactured a product which in cooperation with another man, the two trading as a company, was offered for sale to the public as "Radium." The findings assert that the United States Bureau of Standards, after tests, declared that the company's product so tested had no radio activity and is not radium. The order specifies that the two men must cease selling or offering for sale as and for radium the product heretofore sold and advertised by them as radium. They are also required to discontinue the use of the word "Radium" in connection with the sale of the product heretofore sold as radium by the company.

DISCONTINUANCE of unfair methods in the exploitation of its product is required by the commission of a Chicago concern engaged in the production and sale of a set of books and a loose-leaf service. Through its agents and solicitors, the commission charges, the concern uses various misleading representations for the purpose of influencing persons to purchase the set of books and the loose-leaf service. The alleged misrepresentations are indicated by the prohibitions included in the commission's order which requires that the concern discontinue: Representing to customers or prospective customers that the usual prices which it receives or has received for any book, set of books, or any publication, or any combination of books, sets of books, or publications, are greater than the price at which they are offered to customers or prospective customers, when that representation is contrary to fact; representing that any book or publication offered for sale by it is bound in "rich maroon levant" or other leather, when that representation is contrary to fact; offering to its prospective customers honorary memberships in the "Standard Education Society"; advertising that the publication designated as "Standard Reference Work" has been officially adopted by twenty-four states, or by any state.

THAT conditional money-back offers and free-trial offers are considerably different is shown by the commission in its consideration of a case involving a Chicago concern engaged in the manufacture and marketing of "Kolor-Bak," a preparation advertised to restore the original color of gray hair. Prospective customers applying for the concern's advertised "Special free-trial offer," says the commission, were provided with a coupon containing a statement that by filling out and returning the coupon anyone would be entitled to receive the free trial privilege. On receipt of the coupon, asserts the commission, the concern would require the applicant to remit \$7.50 in payment of six bottles of "Kolor-Bak," on condition that if the customer was dissatisfied the money would be refunded. The concern would avoid refunding to dissatisfied customers, continues the commission's statement, by questioning the methods of applying

"Kolor-Bak," and in other ways to such an extent that in many instances customers became discouraged and discontinued their application for refund.

Specifically prohibited by the commission's order are the concern's practices of advertising that it will give to anyone applying for it a "Special Free Trial Offer" of a preparation manufactured and sold by the concern, and for which the claim is made by the concern that the preparation will restore the original color to gray hair, and then requiring those who apply for the so-called "free trial" privilege to buy a quantity of the preparation on the condition that if the preparation should fail to satisfy the customer, then the purchase price would be refunded, thereby affording customers only what is known commercially as a conditional "money-back offer" and not a "free trial" offer.

A LOUISVILLE concern, engaged in selling a grain of various kinds, is charged with artificially increasing the weight of cultivated oats by the addition of water which cannot be detected, it is said, on ordinary reasonable inspection. The oats so treated were offered for sale, the commission charges, and makes further allegations that the concern includes, in its orders for "cultivated" or "cleaned oats," foreign material such as wild oats, weed seed, chaff, straw knots, and dust, commercially known as "screenings." The presence of the "screenings," explains the commission, is not disclosed by ordinary inspection, and the concern's customers are said to pay for the adulterated oats an amount in accordance with their idea of the worth of "cultivated oats." The concern's acts, the complaint continues, are to the prejudice of the public and constitute unfair competition.

FINDINGS of the commission in a case involving a Cleveland company engaged in the wholesaling of paints, varnishes, roofing material, and similar products, state that the company published a letter purporting to be an exact copy of a letter from the State Chemist of Ohio, containing an analysis of two samples of roofing paint, the Cleveland company's "Horneblende" and a competitor's "Arco." Continuing, the commission's findings assert that the letter had been changed by the Cleveland company in a way to show the competitor's product in a less favorable analysis than its own. A prohibitory order has been issued against the company, requiring that it discontinue circulating or publishing advertisements offering products for sale which do not truthfully describe the products; and that it must discontinue publishing in advertisements or by other means a purported analysis of paints or other products which is not in fact an accurate and truthful analysis of those products.

THE PRACTICE of representing that a concern is a manufacturer when in fact it is only a distributor leads purchasers of its goods to believe that they are saving the profits of a middleman, declares the commission in a prohibitory order issued against a New York rope company. By means of advertisements, by business cards, and by other means the company is said to have represented that it was the manufacturer of the rope it sold and offered for sale. The commission asserts that the New York company obtains its supply of rope from the factory of a Brooklyn company. The order prohibits the New York company from representing in any manner that it is a maker or manufacturer of rope which it sells and offers for sale unless and until it shall engage in the manufacture of rope so represented, or that it is the maker or manufacturer of rope which is made for it by the Brooklyn company, either by virtue of contract obligations or in any other manner.

A NEW YORK manufacturer of a liquid human hair dye, known as "Inecto-Rapid" has been cited by the commission in a complaint which alleges that certain misleading statements were used in the manufacturer's advertisements of the dye, and that the misleading statements deceive the public.



## Too Late! You Can't Save Records After the Fire Starts

Called out of bed, you learn that it's *your* office on fire! Too late to save anything. Yesterday's opportunity to protect valuables is gone. Whatever carelessness has been tolerated is going to be paid for now!

Tomorrow you must start business with whatever checks, inventories, orders, accounts, vouchers, mailing lists, production drawings, records the fire failed to reach. Those stuffed into desk drawers are gone. Those put into fire-protected safes are preserved.

Every man knows what he *ought* to do about providing adequate fire-safe storage. *Some* will do it *today*. Van Dorn Safes costs so little compared with the risks they prevent!



*The interiors of Van Dorn Safes are easily arranged to accommodate any kind of material you want to protect from fire, dirt, mice and carelessness.*

### THE VAN DORN IRON WORKS COMPANY

CLEVELAND

Branches: Cleveland New York Chicago Philadelphia Washington Pittsburgh

**Van Dorn**  
MASTER-CRAFTSMANSHIP IN STEEL

## Common Stock and Safety

FINANCIAL advisers generally recommend American Telephone & Telegraph stock, with its unusually high yield, as a safe investment.

They know that the A. T. & T. and associated companies are a nationwide system, dependent on no single company or section of the nation—and that its service is indispensable and its business is relatively independent of prosperity or depression.

For the past four years the market price of A. T. & T. stock has been steadier than that of sixty-nine representative industrial and railroad bonds usually used for the bond index price.

For uninterrupted dividend record and stockholders' equity, it takes rank with preferred rather than with common stocks.

This stock pays 9% dividends. It may now be bought in the open market at a price to net over 7%. Write for full information on this Seven-Per-Cent-and-Safety Investment.



"The People's Messenger"

**BELL TELEPHONE  
SECURITIES CO. Inc.**  
D. F. Houston, President  
195 Broadway NEW YORK



**Every Shipper Needs  
this Reference Book**



**FREE!**

**28 Pages—80 Illustrations**

HERE is an invaluable guide for shippers. Not a catalog but a complete, pocket-size manual, containing all the information the shipper needs for proper and economical selection, packing, sealing and shipping of corrugated fibre boxes. Hundreds of pages of complicated packing regulations—boiled down into simple, easy-to-follow instructions.

This manual tells how to select the right type of box. Shows how to pack various products correctly and how to seal every style of corrugated fibre box.

Complete. Convenient. Authoritative. And yours for the asking. Write today.

**THE HINDE & DAUCH PAPER CO.**  
304 West Water Street.  
Sandusky, Ohio

### Capital In Any Amount

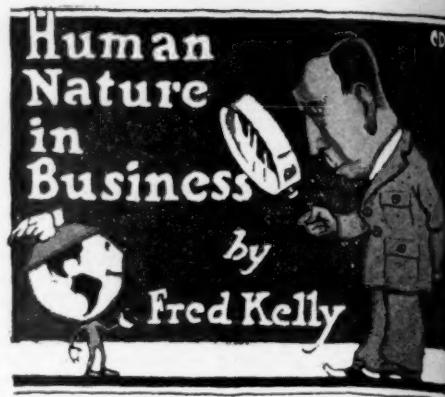
May be raised by reaching selected investors direct by mail; 20 years' experience planning and writing campaigns for financing enterprises of almost every nature. Outline your proposition for free suggestions and book, "How to Raise Capital." Gardner Advertising Service, B-511 Ridge Arcade, Kansas City, Mo.

### PUBLICITY MAN

Skilled in trade promotion wants connection with established trade body or high-class commercial corporation. Able executive, resourceful organizer, capable writer, forceful speaker. Can supply completely equipped New York office if desired. Interested only in broad scope connection involving planning and execution of national or international campaigns. Box 22, NATION'S BUSINESS, Washington.

### MAIN and COMPANY Accountants and Auditors

PITTSBURGH HARRISBURG  
NEW YORK PHILADELPHIA



**JULIUS ROSENWALD**, head of Sears, Roebuck & Co., drives an automobile—one of the higher-priced makes—that he bought back in 1913. Others may feel the need of a brand new transportation system every year, but this great merchant takes pride in having given his car such good care that it is still efficient and satisfactory after ten years.

"How much longer are you going to keep it?" he was asked.

"Until it is no longer worth keeping," he replied. Which means that he may drive it for ten years longer.

Rosenwald also remarked that he had not bought a pair of shoes since 1917. I'm trusting to memory on this date, but I think 1917 is correct. Anyhow, notwithstanding that he is in the selling business, Rosenwald seems to be an advocate of buying nothing that one doesn't need. Yet he is one of the most free-handed men in the United States. He celebrated his birthday a few years ago by giving away a million dollars.

**A** N EMPLOYER remarks that when about to hire a young college graduate he always asks the applicant about his college interests—whether he played on or managed any athletic team, wrote for the college paper, had anything to do with the glee club, debating societies or other college activities outside of classroom.

"If he had no interest in anything except his books," said the employer, "I am quite likely not to hire him, no matter how decent appearing a chap he is, for the chances are that he lacked the natural ability to influence or cooperate with others—and probably still lacks such ability."

**I** OFTEN wonder what proportion of the average income is spent just on trying to keep clean. With the spread of industrial centers this of course becomes greater each year, for such centers mean soot, grime, congestion and perspiration. The most costly room in the average home is the bath-room. Much of our taxes goes for sewers and clean streets. No equally small surface in the world is the subject of so much expense for scrubbing and polishing as the teeth. Costs of advertising tooth-cleaning preparations run into millions of dollars each year. The same thing is true of soap. Laundry bills are an important item in every household. In short, life is a constant struggle against the forces of dirt. True, in many respects our fight is carried on with noteworthy stupidity and inefficiency. Much of our clothing is unwashable—because of the need of wearing articles of more expensive design and material than washable goods, to meet the demands of fashion. We could wear clothing as washable as a heavy flannel shirt, but this would not be stylish. If we were scientific we would

## Talk to the *Umpire*

**I**N recent correspondence with **NATION'S BUSINESS**, the Chief Engineer of a large corporation said:

**"Selling the executive is important because he is constantly called upon to umpire the game between the engineer who buys on quality and the purchasing agent who buys on price."**

You who read **NATION'S BUSINESS** know the truth of this statement. Buying decisions are made daily in your office, or come to your desk for O.K. The advertising campaign designed only to sell the engineering department or the purchasing department leaves out an important influence in every sale.

**NATION'S BUSINESS** is made for men like yourself. More than 130,000 executives are reading this magazine monthly. They are this "important influence" in 73,000 corporations. They have the final word. They are the *umpires*.

Let **NATION'S BUSINESS** carry your sales messages to them.

**The NATION'S BUSINESS**  
WASHINGTON

For a brief statement of who reads **NATION'S BUSINESS** turn to page 74

No. 10 of a series of talks on the means of testing an appraisal

## The Executive "O. K." on your appraisal

Every American appraisal is planned and executed under the direct supervision of executives who have been brought up in the business—men who have long been recognized in the appraisal profession as leaders in appraisal thought and practice.

Personal bias or prejudice can not creep into an American Appraisal. Each appraisal is constructed upon concerted and tested judgment. A series of executive checks and rechecks follows every report all the way through its progress to completion, so that error is eliminated just as far as is humanly possible.

Thus you have in the American Appraisal of today the benefits of the experience of an executive staff seasoned by 28 years of successful appraisal practice.

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**INVESTIGATIONS • VALUATIONS • REPORTS**  
**INDUSTRIALS • PUBLIC UTILITIES • NATURAL RESOURCES**

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## Sydney Anderson Discusses One Way to Cut Distribution Costs

WE had expected to run Congressman Anderson's article on the above subject in this January NATION'S BUSINESS, but couldn't get it in time. You can count on reading it in the February number.

wear nothing longer than a few days without associating it with soap and water. Even our shoes might be of inexpensive material that wears out quickly and is inexpensively replaced; thus they would always be newer and cleaner than shoes that have been worn since last season. However, while we might be more cleanly than we are, a vast industrial army is constantly at work trying to keep ahead of dirt, at a daily cost of millions of dollars. While it is costly, it is worth the price. Cleanliness is civilization. One might almost be justified in coining a phrase and saying that cleanliness is next to godliness.

A CHICAGO man writes to ask me if it is still true that the value of retail business property is in direct ratio to the amount of traffic that passes it.

The answer in a general way is yes. But it must be emphasized that this applies only to *pedestrian* traffic and of course much depends on the quality of the traffic. A crowd coming from the opera has more buying power than a crowd of the same size coming from a brickyard. However, in a large enough crowd, these differences are usually evened up. Automobile traffic is coming to have the effect of *injuring* property values. I know a street where values have decreased 10 per cent within a year because the thoroughfare became a through route for automobile drivers, with the result that it is now all one's life is worth to cross that street. I hope to go into this question of traffic and property values at considerable length later on.

EVERY business, even some that look commonplace on the surface, must be full of interest, due to the little human problems such as those just mentioned, that must be figured out behind the scenes. Business practices no longer just happen. I have just been reading a fascinating article by Courtney Ryley Cooper about circuses. He mentions that the horses used in equestrienne acts are nearly always white or gray—so that the spectators won't see the powdered resin on their backs, to keep the performer from slipping off! I wish every business man who sees this and knows some interesting little human, back-stage kinks about his own line would write and tell me about it. I'm full of curiosity about such things and fairly pant to know more.

A NEW YORK State firm that manufactures shirts to order lost a customer when President Harding died. The late President had bought his shirts from this firm for many years. Back in the days when he was Lieutenant Governor of Ohio he usually paid \$3.75 and \$4 for each shirt. After becoming President he wore \$4.50 shirts—except *one* for which he paid \$5.50! Even a President, it appears, likes to have one shirt a little better than the rest, for special occasions.

A PHOTOGRAPHER friend tells me of a business scheme that has saved him much money. It used to be that about one time out of three, a customer wouldn't like a portrait of himself, and would insist on a second, or even a third sitting, which meant a big loss of time to the photographer. He had wondered why it was that a person often failed to like his own portrait even when all his family thought it was a fine likeness. This might be accounted for partly by the fact that the subject, more than anyone else, desires a flattering picture of himself. But it frequently happened that a customer accepted a

# 1924~

## Will General Business Boom or Slump?

Prices—up or down?

How about wages, sales and credit conditions?

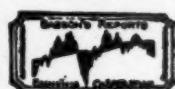
The Babson Barometer Letter of January 1st gives you the plain facts on the situation and contains information that may be worth hundreds, possibly thousands of dollars to you.

If you'd like a copy—for reference—as you plan for 1924, tear out the MEMO now.

## BABSON'S REPORTS ON BUSINESS

### MEMO for Your Secretary

Write Babson Statistical Organization, Babson Park, Mass., as follows: Please send without obligation to me, special BAROMETER LETTER No. N-41 and copy of booklet, "Steady Business Profits", giving full details of the Babson Method.



### Declaration of Independence

A facsimile copy of the Declaration of Independence has been issued by the John Hancock Mutual Life Insurance Company.

This reproduction is a composite reduced facsimile, one-quarter size, taken from a facsimile reproduction of the original Declaration of Independence made by W. L. Stone in 1823, under the direction of John Quincy Adams, then Secretary of State. The original engrossed Declaration is in the custody of the Librarian of Congress at Washington. The John Hancock Company will send this copy of the Declaration free for framing.



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### "PHONE" without being overheard



Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. Sent postpaid for \$1.00.

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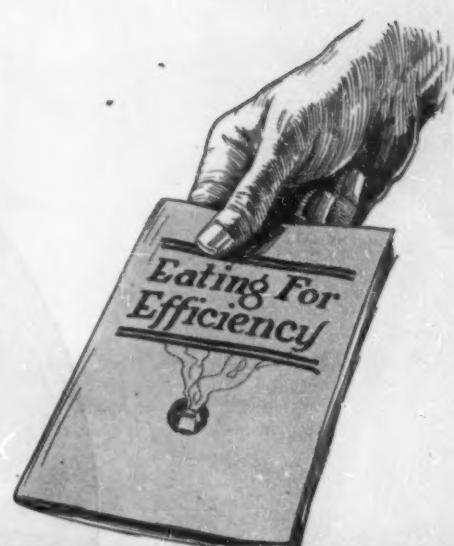
later portrait that made him look less handsome than the first one. Then the photographer discovered that few faces are the same on both sides. If there is a mole, or wrinkle or bulge on the left side that does not occur on the other side, the proprietor of that face nevertheless associates the imperfection not with the *left* side of his face where it really is, but with the *right* side—because he never sees his face except in a *mirror*, while the picture shows him as he is, as his friends see him. His picture doesn't look natural because it is the reverse of the way he usually views himself. The photographer therefore found it a good business plan when a customer seemed dissatisfied with a portrait to show it to him *reflected in a mirror*!

WHOLESALE grocers and canners tell me that New York City is the leading sucker town of the whole United States as to food—especially canned food. It always seeks the food that appeals more to the eye than to the palate. The prettiest red apples always sell best, regardless of taste. For some years canners have been putting up corn on the cob in glass jars. Since a jar will only hold three or four small ears, or one or two large ones, it costs far more to buy canned corn on the cob than *of* the cob. And it is impossible to make the preserved corn on the cob taste right—for in a short time the grain begins to absorb the taste of the cob itself. Yet, there is always a steady demand for such goods in New York City. The fact that it is expensive, and also likely to *impress one's guests*, to serve corn on the cob out of season, is why New York will always buy it. New York is always the best market for extra large sizes of canned peaches. Super-sized peaches are never as good to eat as smaller ones. But big peaches are likely to make such an impression on a certain type of consumer that he never thinks about the flavor. Boston and Philadelphia, the dealers say, are much more discriminating than New York in picking their food.

A CANNER also told me that he was in business many years before it dawned on him that his cans were too large. "Those who have large families make a point of their cooking," he said, "and buy comparatively little canned goods. The greatest users of canned goods are small families. And they want cans of a size to hold only enough for one meal. They don't like to be wasteful and yet they don't want to go back to leftover stuff the next day. Hence we now put out small cans to help the bride or other small-family housewife to come out even."

SOME of the smartest men I have ever known," says a great merchant, "were criminals. But I have never known a dishonest man who could not have been much more successful if on the square. There is more honesty in business than there is in other things. Big business requires team work on a gigantic scale. Even a dishonest business man wouldn't want a dishonest cashier, a dishonest clerk, or a dishonest secretary, would he? Crooks have to work in squads of one or two, or, at any rate, in such small squads that they can always watch each other."

MODESTY is one of the most admired of human traits in an individual and yet it is a regrettable fact that in advertising modesty is seldom effective. A good advertising page must say: "Hey, there, just look at me!"



### Eat and Be Well!

IF you want to keep well—up to "top notch"—strong, healthy and efficient, you must know how and what to eat. The usual "self prescribed" dietary has many faults which become a positive menace to increased health and energy—due to the fact that certain vital food elements are generally lacking in the diet.

#### "Eating for Efficiency"

is a condensed set of health rules—many of which may be easily followed right in your own home, or while traveling. You will find in this little booklet a wealth of information about food elements and their relation to physical welfare.

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Electrical Service—  
so much for so little



## The Greater the Need the Better the Service

This thing that we all talk about so much—Service—is mostly a matter of our own needs. We want what we want when we want it. If we get it, we call it Service.

Consider, then, for just a moment, what a tremendous thing it is to provide satisfactory Electrical Service—which must respond *instantly* to every need that the snap of a switch or the throwing

of a controller indicates. Do you have any idea of the problems of equipment and organization and technical operation that have had to be solved to make this instantaneous Service possible?

Your own local light and power company sees to it that you get this uninterrupted, essential service. And the greater your needs, the better, and the more economical, this Service becomes.

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